SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

[_X_] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1995

OR

[___] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____________ to ____________.

Commission file number: 1-8729

UNISYS CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	38-0387840
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

Township Line and Union Meeting Roads Blue Bell, Pennsylvania	19424
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code:
(215) 986-4011

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value $.01	New York Stock Exchange
Series A Cumulative Convertible Preferred Stock, par value $1, $3.75 annual fixed dividend	New York Stock Exchange
Preferred Share Purchase Rights	New York Stock Exchange
10.30% Credit Sensitive Notes Due July 1, 1997	New York Stock Exchange
8 1/4% Convertible Subordinated Notes Due 2000	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES X NO ____

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

Aggregate market value of the voting stock held by non-affiliates: approximately $1,284,297,645 as of January 31, 1996. The amount shown is based on the closing price of Unisys Common Stock as reported on the New York Stock Exchange composite tape on that date. Voting stock beneficially held by officers and directors is not included in the computation. However, Unisys Corporation has not determined that such individuals are "affiliates" within the meaning of Rule 405 under the Securities Act of 1933.

Number of shares of Unisys Common Stock, par value $.01, outstanding as of January 31, 1996: 171,429,516.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Unisys Corporation 1995 Annual Report to Stockholders -- Part I, Part II and Part IV.

Portions of the Unisys Corporation Proxy Statement for 1996 Annual Meeting of Stockholders -- Part III.

PART I

ITEM 1. BUSINESS

Unisys Corporation ("Unisys") is an information management company that provides information services, technology, software and customer support on a worldwide basis.

Unisys operates in the information management business segment. Financial information concerning revenue, operating profit and identifiable assets relevant to the segment is set forth in Note 14, "Business segment information", of the Notes to Consolidated Financial Statements appearing in the Unisys 1995 Annual Report to Stockholders, and such information is incorporated herein by reference.

In 1995 Unisys sold its defense business to Loral Corporation. In the fourth quarter of 1995, Unisys announced that it would realign internally into three business units: information services, computer systems and support services.

Principal executive offices of Unisys are located at Township Line and Union Meeting Roads, Blue Bell, Pennsylvania 19424.

Principal Products and Services

Principal information management products and services include enterprise systems and servers, departmental servers and desktop systems, software, information services and systems integration, and equipment maintenance.

Enterprise systems and servers comprise a complete line of small to large processors and related communications and peripheral products, such as printers, storage devices and document handling processors and equipment. Departmental servers and desktop systems include UNIX servers, workstations, personal computers, and terminals. Software consists of application and systems software. Information services and systems integration includes systems integration, outsourcing services, application development, information planning, and education. Equipment maintenance results from charges for preventive maintenance, spare parts, and other repair activities.

____

UNIX is a registered trademark licensed in the United States and other countries, exclusively by X/Open Company, Ltd.

Information about revenue from classes of similar products and services for the three years ended December 31, 1995, appears under the heading "Revenue by similar classes of products and services" appearing in the Unisys 1995 Annual Report to Stockholders, and such information is incorporated herein by reference.

Unisys markets its products and services throughout most of the world, primarily through a direct sales force. In certain foreign countries, Unisys markets primarily through distributors. Unisys manufactures a significant portion of its product lines. Some products, including certain personal computers, peripheral products, electronic components and subassemblies and software products, are manufactured for Unisys to its design or specifications by other business equipment manufacturers, component manufacturers or software suppliers.

Raw Materials

Raw materials essential to the conduct of the business are generally readily available at competitive prices in reasonable proximity to those plants utilizing such materials.

Patents, Trademarks and Licenses

Unisys owns many domestic and foreign patents relating to the design and manufacture of its products, has granted licenses under certain of its patents to others and is licensed under the patents of others. Unisys does not believe that its business is materially dependent upon any single patent or license or related group thereof. Trademarks used on or in connection with Unisys products are considered to be valuable assets of Unisys.

Backlog

Unisys does not accumulate backlog information on a company-wide basis. Unisys believes that backlog is not a meaningful indicator of future revenues due to the significant portion of Unisys revenue received from software, information services and systems integration, and equipment maintenance (approximately 69% in 1995) and the shortening of the time period from receipt of a purchase order to billing upon shipment of equipment. Unisys "lead time" for commercial equipment (the time that customers are told that it will take from receipt of an order to shipment) is between 13 and 150 days depending upon the type of system and location of customer. However, the average is between 35 and 45 days. Therefore, Unisys believes that the dollar amount of backlog is not material to an understanding of its business taken as a whole.

Customers

No single customer accounts for more than 10% of Unisys revenue. Sales of commercial products to various agencies of the U.S. government represented 9% of total consolidated revenue in 1995.

Competition

Unisys business is affected by rapid change in technology in the information systems and services field and aggressive competition from many domestic and foreign companies, including computer hardware manufacturers, software providers and information services companies. Unisys competes primarily on the basis of product performance, service, technological innovation and price. Unisys believes that its continued investment in engineering and research and development, coupled with its marketing capabilities, will have a favorable impact on its competitive position.

Research and Development

Unisys-sponsored research and development costs were $409.5 million in 1995, $463.6 million in 1994 and $489.3 million in 1993.

Environmental Matters

Capital expenditures, earnings and the competitive position of Unisys have not been materially affected by compliance with federal, state and local laws regulating the protection of the environment. Capital expenditures for environmental control facilities are not expected to be material in 1996 and 1997.

Employees

As of December 31, 1995, Unisys had approximately 37,400 employees.

International and Domestic Operations

Financial information by geographic area is set forth in Note 14, "Business segment information", of the Notes to Consolidated Financial Statements appearing in the Unisys 1995 Annual Report to Stockholders, and such information is incorporated herein by reference.

ITEM 2. PROPERTIES

In the United States, Unisys had 47 major facilities, each having approximately 50,000 square feet of floor space or more, as of December 31, 1995. The aggregate floor space of these major facilities was approximately 8,914,041 square feet, of which an aggregate of approximately 7,905,787 square feet was located in the following states: California, Illinois, Michigan, Minnesota, Pennsylvania, Utah and Virginia. Nine of the major facilities in the United States, with an aggregate of approximately 2,286,706 square feet of floor space, were owned by Unisys while 38 of the major facilities in the United States, with approximately 6,627,335 square feet of floor space, were leased to Unisys. Of the aggregate floor space of major facilities in the United States, approximately 7,327,846 square feet were in current operation, approximately 1,284,510 square feet were subleased to others and approximately 301,685 square feet were being held in reserve or were declared surplus with disposition efforts in progress.

Outside of the United States, Unisys had 40 major facilities, each having approximately 50,000 square feet of floor space or more, as of December 31, 1995. The aggregate floor space of these major facilities was approximately 4,165,902 square feet, of which an aggregate of approximately 3,095,301 square feet was located in the following countries: Brazil, Canada, France, Germany, the Netherlands, Switzerland and the United Kingdom. Eight of the major facilities outside the United States, with approximately 1,206,937 square feet of floor space, were owned by Unisys while 32 of the major facilities outside the United States, with approximately 2,958,965 square feet of floor space, were leased to Unisys. Of the aggregate floor space of major facilities outside the United States, approximately 2,477,911 square feet were in current operation, approximately 245,872 square feet were subleased to others and approximately 1,442,119 square feet were being held in reserve or were declared surplus with disposition efforts in progress.

Unisys major facilities include offices, laboratories, manufacturing plants, warehouses and distribution and sales centers. Unisys believes that its facilities are suitable and adequate for current and presently projected needs. Unisys continuously reviews its anticipated requirements for facilities, and, on the basis thereof, will from time to time acquire additional facilities, expand existing facilities and dispose of existing facilities or parts thereof.

ITEM 3. LEGAL PROCEEDINGS

As of January 31, 1996, Unisys has no material pending legal proceedings reportable under the requirements of this Item 3.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders of Unisys during the fourth quarter of 1995.

ITEM 10. EXECUTIVE OFFICERS OF THE REGISTRANT

Information concerning the executive officers of Unisys set forth below is as of January 31, 1996.

Name	Age	Position with Unisys
James A. Unruh	54	Chairman of the Board and Chief Executive Officer
Alan G. Lutz	50	Executive Vice President; President, Computer Systems Group
Lawrence C. Russell	57	Executive Vice President; President, Information Services Group
Harold S. Barron	59	Senior Vice President, General Counsel and Secretary
Edward A. Blechschmidt	43	Senior Vice President, Chief Financial Officer and Controller

Malcolm D. Coster	51	Senior Vice President, Strategic Business Development
Gerald A. Gagliardi	48	Senior Vice President; President, Global Customer Services Group
Dewaine L. Osman	61	Senior Vice President, Information Technology and Strategic Development, and President, Pacific Asia/Americas Group
David O. Aker	49	Vice President, Worldwide Human Resources
Jack A. Blaine	51	Vice President; President, Latin America and Caribbean Division
Frank G. Brandenberg	49	Vice President; Group Vice President and General Manager, Client/Server Systems
George R. Gazerwitz	55	Vice President; President, Japan Operations
Patricia L. Higgins	46	Vice President; Group Vice President and General Manager, Worldwide Communications Market Sector Group
John J. Holton	62	Vice President, Client Relations
Jack F. McHale	46	Vice President, Investor and Corporate Communications

Stefan C. Riesenfeld	47	Vice President and Treasurer
William G. Rowan	53	Vice President, Finance, Pacific Asia/Americas Group

There are no family relationships among any of the above-named executive officers. The Bylaws provide that the officers of Unisys shall be elected annually by the Board of Directors and that each officer shall hold office for a term of one year and until a successor is elected and qualified, or until the officer's earlier resignation or removal.

Mr. Unruh has been the Chairman of the Board and Chief Executive Officer since 1990. He was President and Chief Operating Officer from 1989 to 1990 and Executive Vice President from 1986 to 1989. He has also held the position of Senior Vice President and Chief Financial Officer. Mr. Unruh has been a member of the Board of Directors since 1986 and has been an officer since 1982.

Mr. Lutz has been an Executive Vice President of Unisys and President of Unisys Computer Systems Group since 1994. He was President of the Kassandra Group, a technology and product consulting firm to the telecommunications industry from 1993 to 1994. From 1987 to 1993, he held numerous positions with Northern Telecom, including President of Switching Networks and President of Public Networks. Mr. Lutz has been an officer since 1994.

Mr. Russell was elected an Executive Vice President of Unisys and President of Unisys Information Services Group in November 1995. He was an officer of The First Manhattan Consulting Group, a management consulting firm, from 1993 to 1995. He was Chairman and Chief Executive Officer of Palaru Corporation, a printing company, from 1990 to 1993. Mr. Russell has been an officer since November 1995.

Mr. Barron has been Senior Vice President and General Counsel of Unisys since 1992. In April 1994, he was also elected Secretary. He was Vice President and General Counsel from 1991 to 1992 and a member of the law firm Seyfarth, Shaw, Fairweather and Geraldson from 1986 to 1991. Mr. Barron has been an officer since 1991.

Mr. Blechschmidt was elected Senior Vice President, Chief Financial Officer and Controller of Unisys in January 1996. He was President of the United States/Canada Division from January 1995 to December 1995. He was elected a Senior Vice President of Unisys in 1994. He was a Vice President of Unisys and President of the Pacific Asia Americas Division from 1990 to January 1995. Mr. Blechschmidt has been an officer since 1990.

Mr. Coster has been a Senior Vice President, Strategic Business Development since January 1996. He was elected a Senior Vice President of Unisys and named President, Europe-Africa Division in 1994. He was an Executive Partner of Coopers & Lybrand responsible for the management consulting practice and head of worldwide business development from 1986 to 1994. Mr. Coster has been an officer since 1994.

Mr. Gagliardi was elected a Senior Vice President of Unisys in October 1995 and named President of Global Customer Services in June 1995. He had been Vice President, Customer Services Worldwide since 1994 and Vice President and General Manager, Customer Services and Support from 1991 to 1994. Mr. Gagliardi has been an officer since 1994.

Mr. Osman was elected a Senior Vice President, Information Technology and Strategic Development and President, Pacific Asia/Americas Group in July 1995. He had been Vice President, Corporate Planning and Business Development, since 1992. He was acting Vice President, Commercial Marketing from 1993 to 1994. Prior to 1992, he had been President of Ascom Timeplex, Inc. (formerly Timeplex, Inc., the communications networking subsidiary of Unisys) since its divestiture by Unisys in 1991. From 1986 to 1991, Mr. Osman was an officer of Unisys, serving as President of the Communications and Networks Group and as President of Timeplex, Inc. from 1989 to 1991. He was reelected an officer in 1992.

Mr. Aker was elected Vice President of Unisys Worldwide Human Resources in July 1995. He had been Vice President, Human Resources, Information Services and Systems Group from 1994 to 1995. From 1990 to 1994, he was Vice President, Human Resources and Administration of Rolls-Royce of North America and a director of its subsidiary, Rolls-Royce Incorporated. Prior to 1990, Mr. Aker held several Human Resources positions with Unisys. Mr. Aker has been an officer since July 1995.

Mr. Blaine has been a Vice President of Unisys and President, Latin America and Caribbean Division since 1995. Mr. Blaine was Vice President and General Manager, Latin America and Caribbean Group, of the Pacific Asia Americas Division from 1990 to 1995. Mr. Blaine has been an officer since 1988.

Mr. Brandenberg has been a Vice President of Unisys and the Group Vice President and General Manager, Client/Server Systems, since 1994. He was Vice President and Deputy President of the Computer Systems Group from 1992 to 1994; and Vice President and General Manager of the Computer Systems Group from 1990 to 1992. Mr. Brandenberg has been an officer since 1990.

Mr. Gazerwitz has been Vice President and President, Japan Operations since 1994. He had been Vice President, Marketing, of the United States Division from 1992 to 1994 and Vice President and Group Vice President, Eastern Region, United States Information Systems from 1990 to 1992. Mr. Gazerwitz has been an officer since 1984.

Ms. Higgins was elected a Vice President of Unisys and named Group Vice President and General Manager, Worldwide Communications Market Sector Group in 1995. She was the Group Vice President, Manhattan Market Area, and a corporate officer of NYNEX Corporation from 1991 to December 1994. From 1977 to 1991, Ms. Higgins held numerous positions at AT&T, including Vice President of International Sales Operations and Service Vice President in Business Communications Services. Ms. Higgins has been an officer since 1995.

Mr. Holton has been a Vice President of Unisys and Vice President, Client Relations since October 1995. He was Vice President Strategic Account Marketing, United States/Canada Division from 1990 to October 1995. He was Vice President, Corporate Marketing, from 1989 to 1990. Mr. Holton has been an officer since 1985.

Mr. McHale has been Vice President, Investor and Corporate Communications, since 1989. He was Vice President, Public and Investor Relations, from 1986 to 1989. Mr. McHale has been an officer since 1986.

Mr. Riesenfeld has been Vice President and Treasurer since 1989. He was Vice President, Corporate Development, from 1986 to 1989. Mr. Riesenfeld has been an officer since 1988.

Mr. Rowan has been a Vice President of Unisys and Vice President of Finance, Pacific Asia/Americas Group since 1995. He had been Chief Information Officer from 1992 to 1995. He was Vice President and Controller from 1991 to 1992; Vice President, Business Operations, from February to April 1991; and Vice President, Finance, of the Pacific Asia/Americas Division from 1986 to 1991. Mr. Rowan has been an officer since 1991.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON STOCK AND RELATED STOCKHOLDER MATTERS

Information as to the markets for Unisys Common Stock, the high and low sales prices for Unisys Common Stock, the approximate number of record holders of Unisys Common Stock, the payment of dividends, and restrictions on such payment is set forth under the headings "Quarterly financial information", "Five-year summary of selected financial data", "Common Stock Information", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Notes 9 and 16 of the Notes to Consolidated Financial Statements in the Unisys 1995 Annual Report to Stockholders and is incorporated herein by reference. The approximate number of holders is based upon record holders as of December 31, 1995.

ITEM 6. SELECTED FINANCIAL DATA

A summary of selected financial data for Unisys for each of the last five years is set forth under the heading "Five-year summary of selected financial data" in the Unisys 1995 Annual Report to Stockholders and is incorporated herein by reference.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's discussion and analysis of financial condition, changes in financial condition and results of operations is set forth under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Unisys 1995 Annual Report to Stockholders and is incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements of Unisys, consisting of the consolidated balance sheet at December 31, 1995 and 1994 and the related consolidated statements of income and cash flows for each of the three years in the period ended December 31, 1995, appearing in the Unisys 1995 Annual Report to Stockholders, together with the report of Ernst & Young LLP, independent auditors, on the financial statements at December 31, 1995 and 1994 and for each of the three years in the period ended December 31, 1995, appearing in the Unisys 1995 Annual Report to Stockholders, are incorporated herein by reference. Supplementary financial data, consisting of information appearing under the heading "Quarterly financial information" in the Unisys 1995 Annual Report to Stockholders, is incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

(a) Identification of Directors. Information concerning the directors of Unisys Corporation is set forth under the headings "Nominees for Election to the Board of Directors", "Members of the Board of Directors Continuing in Office -- Term Expiring in 1997" and "Members of the Board of Directors Continuing in Office -- Term Expiring in 1998" in the Unisys Proxy Statement for the 1996 Annual Meeting of Stockholders and is incorporated herein by reference.

(b) Identification of Executive Officers. Information concerning executive officers of Unisys Corporation is set forth under the caption "EXECUTIVE OFFICERS OF THE REGISTRANT" in Part I, Item 10, of this report.

ITEM 11. EXECUTIVE COMPENSATION

Information concerning executive compensation is set forth under the heading "EXECUTIVE COMPENSATION" in the Unisys Proxy Statement for the 1996 Annual Meeting of Stockholders and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

(a) Security Ownership of Certain Beneficial Owners. The TCW Group, Inc. (865 South Figueroa Street, Los Angeles, California 90017) and Robert Day (200 Park Avenue, Suite 2200, New York, New York 10166) have jointly filed a Schedule 13G with the Securities and Exchange Commission dated February 12, 1996 reporting beneficial ownership of 10,354,912 shares of Unisys Common Stock. Such shares represented approximately 6.0% of the total outstanding shares of Unisys Common Stock as of January 31, 1996. The TCW Group, Inc. and Robert Day have jointly reported sole voting power and sole dispositive power with respect to all such shares. To Unisys knowledge, as of January 31, 1996, no other person was the beneficial owner of more than 5% of the total outstanding shares of Unisys Common Stock.

(b) Security Ownership of Management. Certain information furnished by members of management with respect to shares of Unisys equity securities beneficially owned as of March 1, 1996 by all directors individually, by certain named officers and by all directors and officers of Unisys as a group is set forth under the heading "SECURITY OWNERSHIP BY CERTAIN BENEFICIAL OWNERS AND MANAGEMENT" in the Unisys Proxy Statement for the 1996 Annual Meeting of Stockholders and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information concerning certain relationships and transactions between Unisys and members of its management is set forth under the headings "EXECUTIVE COMPENSATION" and "REPORT OF THE COMPENSATION AND ORGANIZATION COMMITTEE -- Compensation Committee Interlocks and Insider Participation" in the Unisys Proxy Statement for the 1996 Annual Meeting of Stockholders and is incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) The following documents are filed as part of this report:

1. Financial Statements from the Unisys 1995 Annual Report to Stockholders which are incorporated herein by reference:

2. Financial Statement Schedules filed as part of this report pursuant to Item 8 of this report:

The financial statement schedule should be read in conjunction with the consolidated financial statements and notes thereto in the Unisys 1995 Annual Report to Stockholders. Financial statement schedules not included with this report have been omitted because they are not applicable or the required information is shown in the consolidated financial statements or notes thereto.

Separate financial statements of subsidiaries not consolidated with Unisys and entities in which Unisys has a fifty percent or less ownership interest have been omitted since these operations do not meet any of the conditions set forth in Rule 3-09 of Regulation S-X.

3. Exhibits. Those exhibits required to be filed by Item 601 of Regulation S-K are listed in the Exhibit Index included in this report at pages 19 through 22. Management contracts and compensatory plans and arrangements are listed as Exhibits 10.1 through 10.24.

(b) Reports on Form 8-K.

During the quarter ended December 31, 1995, no Current Reports on Form 8-K were filed.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

UNISYS CORPORATION

By: /s/ James A. Unruh
James A. Unruh
Chairman of the Board
and Chief Executive Officer

Date: February 21, 1996

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on February 21, 1996.

/s/ James A. Unruh	*Melvin R. Goodes
James A. Unruh Chairman of the Board and Chief Executive Officer (principal executive officer) and Director	Melvin R. Goodes Director
/s/ Edward A. Blechschmidt	*Edwin A. Huston
Edward A. Blechschmidt Senior Vice President, Chief Financial Officer and Controller (principal financial and accounting officer)	Edwin A. Huston Director
*J. P. Bolduc	*Kenneth A. Macke
J. P. Bolduc Director	Kenneth A. Macke Director
*James J. Duderstadt	*Theodore E. Martin
James J. Duderstadt Director	Theodore E. Martin Director

*Gail D. Fosler
- ---------------------
Gail D. Fosler
Director

*Robert McClements, Jr.

Robert McClements, Jr.
Director

*Alan E. Schwartz

Alan E. Schwartz
Director

*By:/s/ Edward A. Blechschmidt

Edward A. Blechschmidt
Attorney-in-Fact

UNISYS CORPORATION

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

(Millions)

Description	Balance at Beginning of Period	Additions Charged to Costs and Expenses	Deductions(a)	Balance at End of Period
Allowance for Doubtful Accounts (deducted from accounts and notes receivable):				
Year Ended December 31, 1993	$101.7	$ 9.6	$(32.6)	$78.7
Year Ended December 31, 1994	78.7	5.4	(9.6)	74.5
Year Ended December 31, 1995	74.5	21.0	(8.8)	86.7

(a) Write-off of bad debts less recoveries.

Note: Prior year amounts have been restated in reporting the Defense Systems business as a discontinued operation.

EXHIBIT INDEX

Exhibit Number	Description
3.1	Restated Certificate of Incorporation of Unisys Corporation, incorporated by reference to Exhibit 3(a) to the registrant's Annual Report on Form 10-K for the year ended December 31, 1992.
3.2	By-Laws of Unisys Corporation, incorporated by reference to Exhibit 3 to the registrant's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1995.
4.1	Agreement to furnish to the Commission on request a copy of any instrument defining the rights of the holders of long-term debt which authorizes a total amount of debt not exceeding 10% of the total assets of the registrant, incorporated by reference to Exhibit 4 to the registrant's Annual Report on Form 10-K for the year ended December 31, 1982 (File No. 1-145).
4.2	Form of Rights Agreement dated as of March 7, 1986 between Burroughs Corporation and Harris Trust Company of New York, as Rights Agent, which includes as Exhibit A, the Certificate of Designations for the Junior Participating Preferred Stock, and as Exhibit B, the Form of Rights Certificate, incorporated by reference to Exhibit 1 to the registrant's Registration Statement on Form 8-A, dated March 11, 1986.
4.3	Second Rights Agreement, dated as of June 28, 1990, by and between registrant and Mitsui & Co., Ltd. and joined by Harris Trust Company of New York, incorporated by reference to Exhibit 4.4 to the registrant's Current Report on Form 8-K dated June 28, 1990.
4.4	Purchase Agreement, dated as of June 25, 1990, between the registrant and Mitsui & Co., Ltd., incorporated by reference to Exhibit 4.3 to the registrant's Current Report on Form 8-K dated June 28, 1990.
10.1	Deferred Compensation Plan for Executives of Unisys Corporation, effective November 1, 1994, incorporated by reference to Exhibit 10.2 to the registrant's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1994.

10.2	Deferred Compensation Plan for Directors of Unisys Corporation, as amended and restated as of January 1, 1994, incorporated by reference to Exhibit 10.2 to the registrant's Annual Report on Form 10-K for the year ended December 31, 1993.
10.3	Form of Executive Employment Agreement, incorporated by reference to Exhibit 10.1 to the registrant's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1995.
10.4	Agreement, dated October 17, 1995, between the registrant and Lawrence C. Russell.
10.5	Employment Agreement, dated August 10, 1994, between the registrant and James A. Unruh, incorporated by reference to Exhibit 10.1 to the registrant's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1994.
10.6	Amendment, dated as of July 28, 1995, to Employment Agreement, dated August 10, 1994, between the registrant and James A. Unruh, incorporated by reference to Exhibit 10.4 to the registrant's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1995.
10.7	Stock Unit Plan for Directors of Unisys Corporation, as amended and restated as of September 23, 1993, incorporated by reference to Exhibit 10 to the registrant's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1993.
10.8	Summary of supplemental executive benefits provided to officers of Unisys Corporation, incorporated by reference to Exhibit 10(k) of the registrant's Annual Report on Form 10-K for the year ended December 31, 1992.
10.9	Unisys Executive Annual Variable Compensation Plan, incorporated by reference to Exhibit A to the registrant's Proxy Statement, dated March 23, 1993, for its 1993 Annual Meeting of Stockholders.
10.10	1982 Unisys Long-Term Incentive Plan, as amended and restated through September 1, 1989, incorporated by reference to Exhibit 10(p) to the registrant's Annual Report on Form 10-K for the year ended December 31, 1990.

10.11 Amendment, dated December 11, 1989, to the 1982 Unisys Long-Term Incentive Plan, incorporated by reference to Exhibit 10(o) to the registrant's Annual Report on Form 10-K for the year ended December 31, 1989.

10.12 Amendment, dated July 25, 1990, to 1982 Unisys Long-Term Incentive Plan, incorporated by reference to Exhibit 10(r) to the registrant's Annual Report on Form 10-K for the year ended December 31, 1990.

10.13 1990 Unisys Long-Term Incentive Plan, effective as of January 1, 1990 incorporated by reference to Exhibit A to the registrant's Proxy Statement, dated March 20, 1990, for its 1990 Annual Meeting of Stockholders.

10.14 Amendment, dated May 26, 1994, to 1990 Unisys Long-Term Incentive Plan, effective as of February 22, 1990, incorporated by reference to Exhibit 10.15 to the registrant's Annual Report on Form 10-K for the year ended December 31, 1994.

10.15 Amendment, dated May 25, 1995, to 1990 Unisys Long-Term Incentive Plan, incorporated by reference to Exhibit 10.2 to the registrant's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1995.

10.16 Form of Loan Agreement including Note used for bridge loans to executive officers purchasing residences, incorporated by reference to Exhibit 10(kk) to the registrant's Annual Report on Form 10-K for the year ended December 31, 1986.

10.17 Form of Loan Agreement including Note used for term loans to executive officers purchasing residences, incorporated by reference to Exhibit 10(ll) to the registrant's Annual Report on Form 10-K for the year ended December 31, 1986.

10.18 Unisys Corporation Officers' Car Allowance Program, effective as of July 1, 1991, incorporated by reference to Exhibit 10(hh) to the registrant's Annual Report on Form 10-K for the year ended December 31, 1991.

10.19 Form of Indemnification Agreement between Unisys Corporation and each of its Directors, incorporated by reference to Exhibit B to the registrant's Proxy Statement, dated March 22, 1988, for the 1988 Annual Meeting of Stockholders.

10.20 Unisys Corporation Elected Officer Pension Plan, effective June 1, 1988, incorporated by reference to Exhibit 10(zz) to the registrant's Annual Report on Form 10-K for the year ended December 31, 1988.

10.21	Amendment, dated February 27, 1992, to Unisys Corporation Elected Officers' Pension Plan, incorporated by reference to Exhibit 10(x) to the registrant's Annual Report on Form 10-K for the year ended December 31, 1992.
10.22	Amendment, dated July 28, 1994, to Unisys Corporation Elected Officer Pension Plan, effective July 28, 1994, incorporated by reference to Exhibit 10.23 to the registrant's Annual Report on Form 10-K for the year ended December 31, 1994.
10.23	Amendment, dated May 25, 1995, to Unisys Corporation Elected Officer Pension Plan, incorporated by reference to Exhibit 10.3 to the registrant's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1995.
10.24	Unisys Corporation Supplemental Executive Retirement Income Plan, as amended and restated effective April 1, 1988, incorporated by reference to Exhibit 10(aaa) to the registrant's Annual Report on Form 10-K for the year ended December 31, 1988.
11	Computation of Earnings Per Share.
12	Computation of Ratio of Earnings to Fixed Charges.
13	Portions of the Annual Report to Stockholders of the registrant for the year ended December 31, 1995.
21	Subsidiaries of Unisys Corporation.
23	Consent of Ernst & Young LLP.
24	Power of Attorney.
27	Financial Data Schedule.

October 17, 1995

Mr. Lawrence C. Russell
1117 Michigan Avenue
Wilmette, Illinois 60091

Dear Larry:

On behalf of Unisys Corporation, I am pleased to offer you the position of Executive Vice President of Unisys and President, Information Services Group, reporting directly to James A. Unruh, Chairman and Chief Executive Officer. At the next Board of Directors meeting you will be recommended to be made an elected officer of Unisys Corporation, effective upon employment.

1. The term of your employment under this agreement shall be three years commencing on your first day of employment. If you are still employed by Unisys at the end of such term, this agreement shall be null and void, except that Unisys obligation to pay the amounts described in Section 6(a) and the pension benefit rights described in Section 7 shall not be affected by the end of such term.

2. Your salary will be at the annual rate of $450,000 and shall be subject to annual review for increase. You will participate in the Executive Variable Compensation (EVC) Plan and your target will be not less than 60% of your annual paid salary. Your actual award under the EVC Plan can vary from zero to 150% of the target amount. Your employment will commence on or about November 6, 1995, or earlier, if you can make the necessary arrangements. If your employment begins by November 6, 1995 and you continue to be employed through the 1995 EVC payout date, you will be guaranteed a minimum EVC payout of $50,000 for 1995. In addition, if you continue to be employed through the 1996 EVC payout date, we will guarantee you a minimum EVC payout for 1996 of 100% of target.

3. You will participate in an individual long term incentive plan commencing on January 1, 1996 with a target award after three years of $500,000. Your actual award under this plan can vary from zero to 100% of the target amount. Eighty percent of the award will be determined by attainment of financial objectives and 20% by attainment of non-financial objectives. The objectives and award terms are to be established by Unisys and described in a separate agreement or plan prior to December 31, 1995.

4. You will be recommended for a stock option grant under the terms of the 1990 Unisys Long-Term Incentive Plan to be made at the next Board of Directors meeting. You will be recommended for a grant of 250,000 shares which will vest 50% after two years, 75% after three years and 100%

after four years from the effective date of grant. This grant will be at the Fair Market Value on the date of the next Board meeting or on the first work day following your becoming an employee, if later. You will continue to be eligible to receive future stock grants at the same times as such grants are made to other elected officers.

5. You will receive all the supplemental executive benefits associated with an elected officer position, including a company car allowance of $600 per month. You also will be eligible for a membership in an approved luncheon club, an annual executive physical, deferred compensation, additional life insurance equal to four times annual salary plus target EVC, post-retirement life insurance of $1,000,000, umbrella personal liability insurance up to $5,000,000 and contribution toward financial counseling services of $7,500 for the first year and $5,000 per year thereafter. In addition, you and your eligible dependents will be eligible to participate in all basic retirement, welfare and other benefit arrangements generally applicable to elected officers. You will be entitled to receive four weeks of vacation each year. Reasonable expenses associated with the performance of the duties of your position shall be reimbursed in accordance with normal Unisys policies. Unisys shall reimburse you up to $7,500 for your legal expenses incurred in the negotiation of this agreement.

6. You agree to provide to Unisys on or before October 30, 1995 satisfactory documentation regarding your compensation, and the value of incentives you are forfeiting, from your present employer. To make up for the value of incentives that you are forfeiting from your present employer, Unisys agrees to the following:

   a) If you continue to be employed with Unisys through the following dates, Unisys will make payments to you as follows:

December 1, 1995 - $200,000

November 1, 1997 - $200,000

November 1, 1998 - $100,000

November 1, 1999 - $100,000

November 1, 2000 - $100,000

b) You will receive a restricted stock grant, effective on the date of the next Board of Directors meeting, or if later, on the first work day following your employment date, with a value equal to $100,000, based on the Fair Market Value of Unisys Common Stock on the effective date of the grant. The grant will be made under and will be subject to the terms of the 1990 Unisys Long-Term Incentive Plan. The restrictions on the stock will lapse on November 1, 1998, provided that you continue to be employed with Unisys through that date.

c) In connection with your relocation to and your purchase of a home in the Philadelphia area, Unisys will extend to you an interest-free loan in the amount of the lesser of (i) the purchase price of such home or (ii) $500,000. To secure the loan, Unisys will place a first mortgage on your new home. The loan will be a recourse loan and will be payable over a five-year period with installment payments being due on November 6, 1997, 1998, and 1999, with the final payment being due November 6, 2000. Upon your termination of employment for any reason, any outstanding amount of the loan will become due and payable six months after your termination date. The terms of the loan will be described by Unisys in a separate agreement to be executed by you.

7. You also will be eligible to participate in the Unisys Elected Officer Pension Plan which has minimum vesting requirements of age 55 with 10 years of service and provides a minimum normal retirement benefit after 10 years of service equal to 40% (4% per year of service) of final average earnings (base salary plus bonus). Unisys agrees that you will become 100% vested at the end of five years of employment with Unisys in a pension benefit calculated and payable in accordance with the terms of the Unisys Elected Officer Pension Plan (which provides for an accrued benefit equal to one-third of one percent of your Final Average Compensation for each month of Credited Service under Section 5.01(a)(1)), regardless of whether you had met the ten year eligibility requirement of such plan.

8. If your employment is terminated by Unisys without "cause" or you terminate your employment for "good reason", you shall be entitled to the following as the sole and exclusive remedy for such termination:

a) Any remaining payments described in Section 6(a) shall become immediately payable;

b) All restrictions on any outstanding restricted stock grant shall immediately lapse;

c) All outstanding stock options shall immediately vest and you shall have thirty days following your termination date to exercise your stock options;

d) An amount equal to 100% of the compensation that would have been paid through the remaining term of this agreement as if you had continued to work through such remaining term, but in no event less than one year's compensation. For purposes of this Section 8(d), compensation consists of base salary (at its then current rate on the date of termination) and EVC (in an amount equal to the average percentage of target EVC payout (which percentage shall be annualized for a partial year but shall be deemed to be 100% for 1995 whether or not any

EVC for 1995 is actually paid) made to you since your date of employment times your base salary as in effect on your date of termination). Such amounts shall be paid in the same manner and at the same times as if you had continued to work through the remaining term;

e) Continued participation, at the same costs applicable to active employees, through the remaining term of this agreement, in the Unisys Medical and Dental Plans (or, if such participation is prohibited by applicable law or the terms of the plans, participation in arrangements that will provide benefits substantially similar to those available under the Unisys Medical and Dental Plans) for you and your eligible dependents, subject, however, to the generally applicable terms of such plans; and

f) Subject to Section 13, any benefits available to terminated employees under the generally applicable terms of the Unisys plans in which you participated as an active employee.

Any amounts that become payable to you under this Section 8 shall be paid notwithstanding the acceptance of other employment by you after your date of termination.

For purposes of this agreement, "cause" shall mean intentional dishonesty, gross neglect of your duties, or continued failure to adequately perform your duties (provided that Unisys has provided you notice identifying the manner in which it reasonably believes that you have failed to adequately perform your duties, and you have failed to discontinue your inadequate performance within 30 days of receiving such notice). "Good reason" shall mean (i) a reduction in your base pay or annual bonus target, as such amounts may be increased from time to time, unless such reduction is due to a reduction in compensation generally applicable to elected officers; or (ii) the removal of you from your positions as Executive Vice President of Unisys and President, Information Services Group (or any successor to the Information Services Group). If your employment is terminated for "cause" or you terminate your employment without "good reason", you shall not be entitled to the benefits described in this agreement. You may terminate your employment under this agreement upon 30 days prior written notice to Unisys, and such termination shall not be deemed to be a breach of this agreement and you shall not be entitled to receive any further payments under this agreement.

9. If you die or your termination of employment is due to your becoming "disabled", you shall be entitled to the following:

a) Any remaining payments described in Section 6(a) will become Immediately payable;

b) All restrictions on any outstanding restricted stock grant will immediately lapse;

c) A pro rata portion of your EVC, if any, earned through your last day of active employment, determined and paid in the same manner and same time as paid to other elected officers;

d) A pro rata portion (based on the number of months that you were actively employed in the three year award period) of your individual long term incentive plan payment, if any, determined and paid at the end of the three year award period and in the same manner as if you had continued to be actively employed; and

e) Any benefits available to disabled former employees under the generally applicable terms of the Unisys plans in which you participated as an active employee.

You shall be considered "disabled" if you meet the requirements for a long-term disability under the terms of the Unisys Long-Term Disability Plan, regardless of whether you participate in such plan. The determination of whether you are disabled shall be made by the claims administrator of the Unisys Long-Term Disability Plan in accordance with the procedures generally applicable under such plan. If you become disabled, you shall be entitled to the benefits described in this Section 9 and not those described in Section 8.

10. From and after the termination of your employment for any reason:

a) For one year you shall not engage in or become employed as a business owner, employee, agent, representative or consultant in any activity which is in competition with any line of business of Unisys (or its subsidiaries or affiliates) existing as of your termination date and over which you had direct responsibility, except with the express prior written consent of the Chief Executive Officer of Unisys;

b) You shall not negatively comment publicly or privately about Unisys (or its subsidiaries or affiliates), any of its products, services or other businesses, its present or past Board of Directors, its officers, or employees, nor shall you in any way discuss the circumstances of your termination of employment, except that you may give truthful testimony before a court or governmental agency;

c) You shall not induce or attempt to induce any employee of Unisys (or any of its subsidiaries or affiliates) to render services for any other person, firm or business entity;

d) You shall not use, furnish or divulge to any other person, firm or business entity any confidential information relating to Unisys business (or that of any of its subsidiaries or affiliates), or any trade secrets, processes, contracts or arrangements involved in any such business, except when required to do so by a court of law, by any governmental agency having supervisory authority over the business of Unisys or by any administrative or legislative body (including a committee thereof) with apparent jurisdiction to order you to divulge, disclose or make accessible such information.

From and after the termination of your employment for any reason, Unisys agrees not to negatively comment publicly or privately about you or the circumstances of your termination of employment. You and Unisys mutually agree that the obligations contained in this Section 10 are reasonable and necessary for each party's mutual protection and that one party cannot be reasonably or adequately compensated in damages in an action at law in the event that the other party breaches such obligations. You and Unisys expressly agree that, in addition to any other rights or remedies which each may possess, each shall be entitled to injunctive and other equitable relief to prevent a breach of this Section 10 by the other party, including a temporary restraining order or temporary injunction from any court of competent jurisdiction restraining any threatened or actual violation, and you and Unisys each consents to the entry of such an order and injunctive relief and waives the making of a bond as a condition for obtaining such relief. Such right shall be cumulative in addition to any other legal or equitable rights and remedies the parties may have. In addition, in the event that you should materially breach your obligations under Section 10(b) or you should breach any other obligation described in this Section 10, Unisys shall have the right to terminate any remaining payments due under Section 8(d).

11. You agree to move to the Philadelphia area and you will be eligible for the benefits provided under the Unisys Moving and Relocation Policy including the standard Third Party Home Purchase Assistance Plan for your current residence. In lieu of the payment of the miscellaneous relocation expense allowance described in Section 24 of such policy, Unisys will grant you one month's salary (grossed up for taxes) to cover miscellaneous relocation expenses.

12. You are also eligible to join a country club of your choice and Unisys will pay your initiation fee and annual dues.

13. Payments under this agreement are not intended to duplicate payments under any other Unisys agreement or severance program, including, without limitation, the Executive Employment Agreement applicable to Unisys elected officers which covers and takes effect only upon change in control situations as defined therein. To the extent that you may be entitled to receive duplicate payments under this and any other Unisys agreement or program, the provisions of that agreement or program which is most favorable to you or provides you with the greater benefit shall be effective.

14. Each of the above-described benefits which are more fully described in an applicable Unisys plan document are subject to the terms of such plan document (as may be amended by Unisys from time to time) and, except as expressly provided in this agreement, each such plan document will govern the benefit payable hereunder and

thereunder. In addition, you agree that the Unisys policies and procedures applicable to all Unisys employees, including, without limitation, the Unisys Code of Ethical Conduct, shall be applicable to you.

15. This offer is contingent upon your compliance with the Immigration Reform Control Act of 1986 (IRCA). Please review the attached list of acceptance verification documents. During the orientation you will be asked to show the appropriate documents, to complete an attestation form and to complete an application of employment form.

16. This agreement shall be binding upon Unisys and its successors and assigns.

17. Except for the Executive Employment Agreement described in Section 13, this agreement constitutes the entire agreement between you and Unisys relating to your employment and additional matters provided for herein. This agreement supersedes all prior agreements, whether written or oral, between you and Unisys relating to your employment and additional matters provided for herein. No provision of this agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by you and such officer as may be specifically designated by Unisys. The validity, interpretation, construction and performance of this agreement shall be governed by the laws of the Commonwealth of Pennsylvania without giving effect to the provisions thereof relating to conflicts of laws.

18. The invalidity or unenforceability of any provision of this agreement shall not affect the validity or enforceability of any other provision of this agreement, which shall remain in full force and effect.

19. Any dispute or controversy arising under or in connection with this agreement shall be settled exclusively by arbitration in Philadelphia, Pennsylvania in accordance with the rules of the American Arbitration Association. Any arbitration award will be final and conclusive upon the parties, and a judgment enforcing such award may be entered in any court of competent jurisdiction. Costs of arbitration shall be borne by Unisys. Unless the arbitrator determines that you did not have a reasonable basis for asserting your position with respect to the dispute in question, Unisys shall also reimburse you for your reasonable attorneys' fees incurred with respect to any arbitration.

20. Unisys represents and warrants that it is fully authorized and empowered to enter into this agreement.

21. This Agreement shall be null and void if you have not commenced your employment with Unisys by November 13, 1995.

Larry, we all look forward to your positive response to our offer and to having someone of your experience and personal attributes with us in the near future. It is our expectation that you would start by November 6, and that we could make the announcement by that time. If you have any questions, or if we can be of personal assistance to you in any way, please feel free to call me at (215) 986-3930.

Sincerely,

David O. Aker
Vice President, Human Resources

Enclosures

cc: J. A. Unruh

Accepted: ________________________ Date: _______
Lawrence C. Russell

EXHIBIT 11

UNISYS CORPORATION
STATEMENT OF COMPUTATION OF EARNINGS PER SHARE
FOR THE THREE YEARS ENDED DECEMBER 31, 1995
(Millions, except share data)

	1995	1994	1993
Primary Earnings Per Common Share			
Average Number of Outstanding Common Shares	171,238,499	170,752,220	162,735,752
Additional Shares Assuming Exercise of Stock Options	719,308	1,563,156	2,333,930
Average Number of Outstanding Common Shares and Common Share Equivalents	171,957,807	172,315,376	165,069,682
Income (Loss) From Continuing Operations Before Extraordinary Items and Changes in Accounting Principles	$(627.3)	$ 12.1	$286.3
Dividends on Series A, B and C Preferred Stock	(120.3)	(120.1)	(121.6)
Primary Earnings (Loss) on Common Shares Before Discontinued Operations, Extraordinary Items and Changes in Accounting Principles	(747.6)	(108.0)	164.7
Income From Discontinued Operations	2.7	96.1	75.3
Extraordinary Items		(7.7)	(26.4)
Effect of Changes in Accounting Principles			230.2
Primary Earnings (Loss) on Common Shares	$(744.9)	$(19.6)	$443.8
Primary Earnings (Loss) Per Common Share			
Continuing Operations	$(4.35)	$(.63)	$1.00
Discontinued Operations	.02	.56	.46
Extraordinary Items		(.04)	(.16)
Effect of Changes in Accounting Principles			1.39
Total	$(4.33)	$(.11)	$2.69
Fully Diluted Earnings Per Common Share			
Average Number of Outstanding Common Shares and Common Share Equivalents	171,957,807	172,315,376	165,069,682
Additional Shares:			
Assuming Conversion of Series A Preferred Stock	47,454,636	47,454,500	47,586,877
Assuming Conversion of 8 1/4% Convertible Notes	33,697,387	33,698,698	33,699,634
Attributable to Stock Options	26,244	111,276	193,741
Common Shares Outstanding Assuming Full Dilution	253,136,074	253,579,850	246,549,934
Primary Earnings (Loss) on Common Shares Before Discontinued Operations, Extraordinary Items and Changes In Accounting Principles	$(747.6)	$(108.0)	$164.7
Exclude Dividends on Series A Preferred Stock	106.5	106.5	106.8
Interest Expense on 8 1/4% Convertible Notes, Net of Applicable Tax	17.8	17.8	17.8
Fully Diluted Earnings (Loss) on Common Shares Before Discontinued Operations, Extraordinary Items and Changes In Accounting Principles	(623.3)	16.3	289.3
Income From Discontinued Operations	2.7	96.1	75.3
Extraordinary Items		(7.7)	(26.4)
Effect of Changes in Accounting Principles			230.2
Fully Diluted Earnings (Loss) on Common Shares	$(620.6)	$104.7	$568.4
Fully Diluted Earnings (Loss) Per Common Share			
Continuing Operations	$(2.46)	$ .06	$1.17
Discontinued Operations	.01	.38	.31
Extraordinary Items		(.03)	(.11)
Effect of Changes in Accounting Principles			.94
Total	$(2.45)	$.41	$2.31
Earnings (Loss) Per Common Share As Reported			
Primary			
Continuing Operations	$(4.37)	$(.63)	$1.00
Discontinued Operations	.02	.56	.46
Extraordinary Items		(.04)	(.16)
Effect of Changes in Accounting Principles			1.39

Total	$(4.35)	$(.11)	$2.69
Fully Diluted			
Continuing Operations	$(4.37)	$(.63)	$1.17
Discontinued Operations	.02	.56	.31
Extraordinary Items		(.04)	(.11)
Effect of Changes in Accounting Principles			.94
Total	$(4.35)	$(.11)	$2.31

Based on weighted average number of outstanding common shares since inclusion of common stock equivalents or assumed conversion of 8 1/4% notes or Series A Convertible Preferred Stock would have been antidilutive.

EXHIBIT 12

UNISYS CORPORATION
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
($ in millions)

	Years Ended December 31				
	1995	1994	1993	1992	1991
Income (loss) from continuing operations before income taxes	$(781.1)	$ 14.6	$370.9	$301.3	$(1,425.6)
Add (deduct) share of loss (income) of associated companies	5.0	16.6	14.5	3.2	(6.5)
Subtotal	(776.1)	31.2	385.4	304.5	(1,432.1)
Interest expense (net of interest capitalized)	202.1	203.7	241.7	340.6	407.6
Amortization of debt issuance expenses	5.1	6.2	6.6	4.8	1.8
Portion of rental expense representative of interest	65.3	65.0	70.5	78.8	80.9
Total Fixed Charges	272.5	274.9	318.8	424.2	490.3
Earnings (loss) from continuing operations before income taxes and fixed charges	$(503.6)	$306.1	$704.2	$728.7	$(941.8)
Ratio of earnings to fixed charges		1.11	2.21	1.72	

Earnings for the years ended December 31, 1995 and 1991 were inadequate to cover fixed charges by approximately $776.1 million and $1,432.1 million, respectively.

Management's Discussion and Analysis of
Financial Condition and Results of Operations

OVERVIEW

In 1995, the company reported a net loss of $624.6 million, or $4.35 per primary and fully diluted common share, compared to net income of $100.5 million, or a loss of $.11 per primary and fully diluted common share, in 1994. Results include fourth quarter charges of $846.6 million pretax ($670.5 million after tax) in 1995 and $186.2 million pretax ($133.1 million after tax) in 1994. See Note 2 of the Notes to Consolidated Financial Statements.

In October of 1995, the company announced that it would realign internally into three business units - information services, support services and computer systems - each with its own marketing and sales organization. In the fourth quarter of 1995, in connection with this realignment, the company recorded a restructuring charge of $717.6 million ($581.9 million after tax), or $3.39 per primary and fully diluted common share. The charge covers (a) $436.6 million for work force reductions of approximately 7,900 people including severance, notice pay, medical and other benefits, (b) $218.6 million for consolidation of office facilities and manufacturing capacity, and (c) $62.4 million for costs associated with product and program discontinuances. Cash requirements for these charges are expected to approximate $400 million in 1996 and $150 million in 1997. However, depending on the timing of implementation, cash savings are expected to significantly offset the 1996 cash requirements and more than offset the 1997 amount. As a result of the restructuring actions, the company expects to generate annualized savings in excess of $500 million by the end of 1996 and $600 million by the end of 1997. In addition, in the fourth quarter of 1995, the company recorded a charge for contract losses of $129.0 million ($88.6 million after tax), or $.51 per primary and fully diluted share, primarily related to a few large multi-year, fixed-price systems integration contracts. Included in the charge is $65.5 million, due to developments with respect to contract terminations.

In 1996, the company may experience a slow first half because of potential disruption caused by the realignment of its operations into three business units. The company's priorities in 1996 will be to focus on the effective and timely implementation of its new three business unit model and the execution of its restructuring plan. In addition, the company will focus on operational issues, including planned product introductions, working capital management and improvement in the processes for qualification, bidding and execution of long-term, fixed-price systems integration contracts.

In May of 1995, the company sold its defense business for cash of $862 million. A loss on the sale of $9.8 million, or $.06 per primary and fully diluted share, was recorded in the fourth quarter of 1995 after completion of the purchase price adjustment process. The net results of the defense operations for all periods presented are reported separately in the Consolidated Statement of Income as "income from discontinued operations." Prior period financial statements have been restated to report the defense business as a discontinued operation. See Note 3 of the Notes to Consolidated Financial Statements.

Results of Operations

Revenue for 1995 was $6.2 billion, up 4% from 1994 revenue of $6.0 billion. Approximately two-thirds of the overall increase in revenue was caused by foreign currency changes. Sales revenue declined 8% to $2.6 billion in 1995 from $2.9 billion in 1994, due to decreases in sales of enterprise systems and servers (21%), offset by increases in sales of departmental servers and desktop systems (6%) and software (3%). Services revenue increased 25% to $2.2 billion in 1995 from $1.8 billion in 1994. Equipment maintenance revenue increased 1% in 1995 to $1.4 billion from $1.3 billion in 1994.

Revenue for 1994 was $6.0 billion, as an increase in services revenue of 30% offset declines in sales revenue of 9% and equipment maintenance revenue of 7%.

Revenue from international operations in 1995 was $3.8 billion, up 6% from 1994, due principally to foreign currency changes. Revenue from U.S. operations in 1995 was $2.4 billion, up 1% from 1994. Revenue from operations outside the U.S. in 1994 was $3.6 billion, up 4% from 1993, due principally to an increase in revenue in Japan. Revenue from U.S. operations in 1994 was $2.4 billion, down 5% from 1993.

Sales gross profit margin was 39% in 1995 compared to 45% in 1994; services gross profit margin was 8% in 1995 compared to 22% in 1994; and equipment maintenance gross profit margin was 29% in 1995 compared to 35% in 1994. Excluding restructuring charges in both years: sales gross profit margin was 43% in 1995 compared to 47% in 1994; services gross profit margin was 15% in 1995 compared to 23% in 1994; and equipment maintenance gross profit margin was 36% in 1995 compared to 40% in 1994. The decline in sales gross profit margin was due in large part to a higher proportion of lower-margin personal computer sales and the reduced volume of large computer systems sales. The decline in services gross profit margin was principally due to provisions for loss contracts in 1995. The decline in equipment maintenance gross profit margin was due in large part to a higher proportion of lower-margin multivendor maintenance.

Total gross profit margin was 26% in 1995 (32% excluding restructuring charges) compared to 36% in 1994 (38% excluding restructuring charges). The total gross profit margin is expected to continue to reflect the continuing shift to lower-margin products and services as well as competitive pricing. In addition, business risks associated with services contracts, particularly large, multi-year, fixed-price systems integration contracts, may from time to time create volatility in margins.

In 1993, total gross profit margin was 43%, sales gross profit margin was 51%, services gross profit margin was 25%, and equipment maintenance gross profit margin was 43%.

Selling, general and administrative expenses in 1995 were $1.9 billion compared to $1.5 billion in 1994. Exclusive of restructuring charges, selling, general and administrative expenses in 1995 were $1.6 billion, an increase of 5% from $1.5 billion in 1994. Approximately one-half of the increase was due to the effects of foreign currency changes. Selling, general and administrative expenses were $1.5 billion in 1993.

Research and development expenses in 1995 were $409.5 million compared to $463.6 million in 1994. Exclusive of restructuring charges, research and development expenses were $366.8 million in 1995 compared to $435.7 million in 1994, a decline of 16%. In 1993, research and development expenses were $489.3 million. Reductions in research and development expenses principally reflect the company's move to common hardware platforms and technologies. In addition, research and development expense as a percent of total revenue is expected to decline consistent with the increasing proportion of revenue from the services businesses, which require less research and development expenditures.

In 1995, the company reported an operating loss of $698.1 million compared to operating income of $154.4 million in 1994 and $572.4 million in 1993. Exclusive of restructuring charges, operating income in 1995 was $19.5 million (.3% of revenue) compared to $339.6 million (5.7% of revenue) in 1994 and $572.4 million (9.6% of revenue) in 1993.

Interest expense was $202.1 million in 1995, $203.7 million in 1994 and $241.7 million in 1993. The decline in 1994 from 1993 was due principally to lower average debt levels.

Other income in 1995 was $119.1 million compared to $63.9 million in 1994 and $40.2 million in 1993. The increase in other income in 1995 compared to 1994 was due principally to higher royalty and interest income. The increase in other income in 1994 compared to 1993 was due principally to favorable foreign currency translation.

It is the company's policy to minimize its exposure to foreign currency fluctuations. Due to a weakening of the U.S. dollar compared to foreign currencies, foreign currency changes, including the cost of hedging, had a positive effect on net income in 1995 when compared to last year.

The loss from continuing operations before income taxes for 1995 was $781.1 million ($63.5 million exclusive of restructuring charges) compared to income in 1994 of $14.6 million ($200.8 million exclusive of restructuring charges) and income in 1993 of $370.9 million.

Estimated income taxes in 1995 were a benefit of $153.8 million ($18.1 million benefit before the restructuring charge) compared to a 1994 provision of $2.5 million ($55.6 million before the restructuring charge) and a 1993 provision of $84.6 million.

The net loss for 1995 was $624.6 million compared to net income of $100.5 million in 1994 and $565.4 million in 1993.

Accounting Changes and Extraordinary Items

In 1995, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of," and SFAS 123, "Accounting for Stock-Based Compensation." Both of these statements are required to be adopted by January 1, 1996. The company does not expect that adoption of SFAS 121 and 123 will have a material effect on its consolidated financial position, consolidated statement of income, or liquidity. For further discussion, see Note 4 of the Notes to Consolidated Financial Statements.

In 1994, the company recorded an extraordinary charge for repurchases of debt of $7.7 million, net of $5.1 million of income tax benefits, or $.04 per fully diluted common share.

Effective January 1, 1993, the company adopted SFAS 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," and SFAS 109, "Accounting for Income Taxes." The adoption of SFAS 106 decreased net income $194.8 million, net of $124.5 million of income tax benefits, or $.79 per fully diluted common share, and the adoption of SFAS 109 increased net income by $425.0 million, or $1.73 per fully diluted common share. For further discussion of SFAS 106 and 109, see Notes 15 and 7, respectively, of the Notes to Consolidated Financial Statements.

At December 31, 1995, the company had deferred tax assets in excess of deferred tax liabilities of $1,457 million. For the reasons cited below, management determined that it is more likely than not that $958 million of such assets will be realized, therefore resulting in a valuation allowance of $499 million. In assessing the likelihood of realization of this asset, the company considered various factors including its forecast of future taxable income and available tax planning strategies that could be implemented to realize deferred tax assets.

The principal methods used to assess the likelihood of realization were the company's forecast of future taxable income, which was adjusted by applying probability factors to the achievement of this forecast, and tax planning strategies. The combination of forecasted taxable income and tax planning strategies are expected to be sufficient to realize the entire amount of net deferred tax assets. Approximately $2.8 billion of future taxable income (predominantly U.S.) is needed to realize all of the net deferred tax assets.

The company's net deferred tax assets include substantial amounts of net operating loss and tax credit carryforwards. Failure to achieve forecasted taxable income might affect the ultimate realization of the net deferred tax assets. In recent years, the information management business has undergone dramatic changes and there can be no assurances that in the future there would not be increased competition or other factors that may result in a decline in sales or margins, loss of market share, or technological obsolescence. The company will evaluate quarterly the realizability of its net deferred tax assets by assessing its valuation allowance and by adjusting the amount of such allowance, if necessary.

In 1993, the company reported an extraordinary charge of $26.4 million, net of $16.8 million of income tax benefits, or $.11 per fully diluted common share. See Note 4 of the Notes to Consolidated Financial Statements.

Financial Condition

In 1995, cash provided by operating activities was $97.7 million compared to $529.1 million in 1994 and $953.4 million in 1993. The decrease in cash provided in 1995 compared to 1994 was due in large part to the loss in 1995, restructuring payments relating to prior years, and an increase in income tax payments.

Investments in properties and rental equipment were $195.0, $208.2, and $173.5 million in 1995, 1994, and 1993, respectively.

During 1995, 1994, and 1993, the company retired $68.2, $140.1, and $394.4 million of debt, respectively. The company intends, from time to time, to continue to redeem or repurchase its securities in the open market or in privately negotiated transactions depending upon availability, market conditions, and other factors.

At December 31, 1995, total debt was $1.9 billion, a decrease of $55.3 million from December 31, 1994. Cash, cash equivalents, and marketable securities at December 31, 1995 were $1,119.7 million compared to $884.6 million at December 31, 1994. During 1995, debt net of cash and marketable securities decreased $290.4 million to $769.2 million. As a percent of total capital, debt net of cash and marketable securities was 29% at both December 31, 1995 and 1994.

Cash requirements in 1996 are expected to include payments in respect of the restructuring actions discussed above and current maturities of long-term debt. See Notes 2 and 9 of the Notes to Consolidated Financial Statements. The company believes that the funds to meet these requirements will come from a combination of utilization of cash on hand, operating cash flow, which will reflect savings generated by the restructuring actions, and external sources of financing.

The company has on file with the Securities and Exchange Commission an effective registration statement covering $500 million of debt or equity securities which enables the company to be prepared for future market opportunities.

The company has a $325 million revolving credit facility with a syndicate of banks that expires in May of 1996. In September and December of 1995, the bank syndicate waived compliance with certain financial covenants in the facility which were impacted by performance in the respective quarters.

Borrowings under that facility are now subject to approval by the bank group. The company has never utilized the facility and does not expect to do so. The size, terms, conditions and participating banks for a new facility, if any, after expiration of the current facility, have yet to be determined.

Dividends paid on preferred stock amounted to $120.2 million in 1995 compared to $228.0 million in 1994 and $183.7 million in 1993. The 1994 amount included full payment for all preferred dividend arrearages.

Net cash provided by discontinued operations in 1995 was $658.3 million consisting of $862.0 million proceeds from the sale of the defense business offset by cash used of $203.7 million. Cash provided by discontinued operations in 1994 and 1993 amounted to $102.2 and $43.0 million, respectively.

The company may settle certain open tax years with the Internal Revenue Service in 1996. It is expected that such settlements will result in cash payments of approximately $60 million (including interest). These payments will not affect earnings since provision for these taxes has been made in prior years.

Stockholders' equity decreased $744.3 million during 1995, principally reflecting the net loss of $624.6 million and preferred dividends of $123.7 million.

CONSOLIDATED STATEMENT OF INCOME
Unisys Corporation

Year Ended December 31 (Millions, except per share data)	1995	1994	1993
Revenue			
Sales	$2,646.3	$2,877.1	$3,178.6
Services	2,198.1	1,759.4	1,358.2
Equipment maintenance	1,357.9	1,341.7	1,444.0
	6,202.3	5,978.2	5,980.8
Costs and expenses			
Cost of sales	1,611.0	1,568.7	1,563.8
Cost of services	2,030.4	1,374.0	1,018.6
Cost of equipment maintenance	965.7	872.7	820.4
Selling, general and administrative expenses	1,883.8	1,544.8	1,516.3
Research and development expenses	409.5	463.6	489.3
	6,900.4	5,823.8	5,408.4
Operating income (loss)	(698.1)	154.4	572.4
Interest expense	202.1	203.7	241.7
Other income, net	119.1	63.9	40.2
Income (loss) from continuing operations before income taxes	(781.1)	14.6	370.9
Estimated income taxes (benefit)	(153.8)	2.5	84.6
Income (loss) from continuing operations before extraordinary items and changes in accounting principles	(627.3)	12.1	286.3
Income from discontinued operations	2.7	96.1	75.3
Extraordinary items		(7.7)	(26.4)
Effect of changes in accounting principles			230.2
Net income (loss)	(624.6)	100.5	565.4
Dividends on preferred shares	120.3	120.1	121.6
Earnings (loss) on common shares	$(744.9)	$(19.6)	$443.8
Earnings (loss) per common share			
Primary			
Continuing operations	$(4.37)	$(.63)	$1.00
Discontinued operations	.02	.56	.46
Extraordinary items		(.04)	(.16)
Effect of changes in accounting principles			1.39
Total	$(4.35)	$(.11)	$2.69
Fully diluted			
Continuing operations	$(4.37)	$(.63)	$1.17
Discontinued operations	.02	.56	.31
Extraordinary items		(.04)	(.11)
Effect of changes in accounting principles			.94
Total	$(4.35)	$(.11)	$2.31

See notes to consolidated financial statements.

CONSOLIDATED BALANCE SHEET
Unisys Corporation

December 31 (Millions)	1995	1994
Assets		
Current assets		
Cash and cash equivalents	$1,114.3	$ 868.4
Marketable securities	5.4	16.2
Accounts and notes receivable, net	996.3	945.1
Inventories	673.9	636.3
Deferred income taxes	329.8	310.5
Other current assets	98.9	98.3
Net assets of discontinued operations		526.5
Total	3,218.6	3,401.3
Long-term receivables, net	58.7	71.5
Properties and rental equipment	2,088.4	2,209.9
Less - Accumulated depreciation	1,397.0	1,479.9
Properties and rental equipment, net	691.4	730.0
Cost in excess of net assets acquired	1,014.6	998.0
Investments at equity	298.9	315.8
Deferred income taxes	682.6	583.2
Other assets	1,148.4	1,093.6
Total	$7,113.2	$7,193.4

Liabilities and stockholders' equity		
Current liabilities		
Notes payable	$ 12.1	$ 8.9
Current maturities of long-term debt	343.5	71.2
Accounts payable	940.6	917.6
Other accrued liabilities	1,677.4	1,123.6
Dividends payable	30.2	26.6
Estimated income taxes	143.5	237.7
Total	3,147.3	2,385.6
Long-term debt	1,533.3	1,864.1
Other liabilities	572.4	339.2
Stockholders' equity		
Preferred stock	1,570.3	1,570.3
Common stock, shares issued: 1995 - 172.3; 1994 - 171.8	1.7	1.7
Retained earnings (accumulated deficit)	(702.6)	45.7
Other capital	990.8	986.8
Stockholders' equity	1,860.2	2,604.5
Total	$7,113.2	$7,193.4

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
Unisys Corporation

Year Ended December 31 (Millions)	1995	1994	1993
Cash flows from operating activities			
Income (loss) from continuing operations	$(627.3)	$12.1	$490.1
Add (deduct) items to reconcile income (loss) from continuing operations to net cash provided by operating activities:			
Effects of extraordinary items and changes in accounting principles		(7.7)	(203.8)
Depreciation	203.0	226.2	252.0
Amortization:			
Marketable software	151.7	150.5	144.6
Cost in excess of net assets acquired	40.9	36.9	36.7
(Increase) decrease in deferred income taxes, net	(223.1)	(60.6)	223.7
(Increase) decrease in receivables, net	(66.9)	(16.5)	307.8
(Increase) decrease in inventories	(15.4)	(28.0)	74.9
Increase (decrease) in accounts payable and other accrued liabilities	565.6	186.3	(276.0)
(Decrease) in estimated income taxes	(63.9)	(12.2)	(164.9)
Increase (decrease) in other liabilities	215.5	(36.8)	(37.5)
(Increase) decrease in other assets	(132.7)	57.6	78.6
Other	50.3	21.3	27.2
Net cash provided by operating activities	97.7	529.1	953.4
Cash flows from investing activities			
Proceeds from investments	3,311.9	1,792.7	1,821.2
Purchases of investments	(3,329.6)	(1,816.4)	(1,829.4)
Proceeds from marketable securities	14.4	197.9	146.5
Purchases of marketable securities		(97.2)	(187.2)
Proceeds from sales of properties	30.3	24.8	26.5
Investment in marketable software	(123.0)	(121.3)	(118.7)
Capital additions of properties and rental equipment	(195.0)	(208.2)	(173.5)
Purchases of businesses	(42.3)		
Net cash used for investing activities	(333.3)	(227.7)	(314.6)
Cash flows from financing activities			
Principal payments of debt	(68.2)	(140.1)	(394.4)
Net proceeds from (reduction in) short-term borrowings	3.1	2.9	(47.2)
Dividends paid on preferred shares	(120.2)	(228.0)	(183.7)
Other	2.8	3.7	7.1
Net cash used for financing activities	(182.5)	(361.5)	(618.2)
Effect of exchange rate changes on cash and cash equivalents	5.7	(9.1)	(37.3)
Net cash used for continuing operations	(412.4)	(69.2)	(16.7)
Discontinued operations			
Proceeds from sale	862.0		
Other	(203.7)	102.2	43.0
Net cash provided by discontinued operations	658.3	102.2	43.0
Increase in cash and cash equivalents	245.9	33.0	26.3
Cash and cash equivalents, beginning of year	868.4	835.4	809.1
Cash and cash equivalents, end of year	$1,114.3	$868.4	$835.4

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements
Unisys Corporation

NOTE 1 Summary of significant accounting policies

Principles of consolidation

The consolidated financial statements include the accounts of all wholly owned subsidiaries. Investments in companies representing ownership interests of 20% to 50% are accounted for by the equity method.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash equivalents

All short-term investments purchased with a maturity of three months or less are classified as cash equivalents.

Inventories

Inventories are valued at the lower of cost or market. Cost is determined principally on the first-in, first-out method.

Properties, rental equipment and depreciation

Properties and rental equipment are carried at cost and are depreciated over the estimated lives of such assets using the straight-line method. Leasehold improvements are amortized over the shorter of the asset lives or the terms of the respective leases. The principal rates used are summarized below by classification of properties:

	Rate per Year (%)
Buildings	2 - 5
Machinery and equipment	5-25
Tools and test equipment	10 - 33 1/3
Rental equipment	25

Revenue recognition

Sales revenue is generally recorded upon shipment of product in the case of sales contracts, upon shipment of the program in the case of software, and upon installation in the case of sales-type leases. Revenue from services and equipment maintenance is recorded as earned over the lives of the respective contracts.

Revenue under cost-type contracts is recognized when costs are incurred, and under systems integration and services contracts when services have been performed and accepted or milestones have been met. Cost of revenue under such contracts is charged based on current estimated total costs.

Accounting for large multi-year, fixed-price systems integration contracts involves considerable use of estimates in determining revenue, costs and profits. When estimates indicate a loss under a contract, cost of revenue is charged with a provision for such loss. Revisions in profit estimates are reflected in the period in which the facts which require the revision become known.

Income taxes

Income taxes are provided on taxable income at the statutory rates applicable to such income. Deferred taxes have not been provided on the cumulative undistributed earnings of foreign subsidiaries since such amounts are expected to be reinvested indefinitely.

Earnings per common share

In 1995 and 1994, the computation of both primary and fully diluted earnings per share was based on the weighted average number of outstanding common shares. The inclusion of additional shares assuming the exercise of stock options, conversion of Series A Cumulative Convertible Preferred Stock, or conversion of the 8 1/4% convertible subordinated notes due August 1, 2000 would have been antidilutive. In 1993, the computation of primary earnings per share was based on the weighted average number of outstanding common shares and additional shares assuming the exercise of stock options, and the computation of fully diluted earnings per share assumed the conversion of the 8 1/4% convertible subordinated notes due August 1, 2000. The computation of fully diluted earnings per share for 1993 further assumed conversion of Series A Cumulative Convertible Preferred Stock. The shares used in the computations for the three years ended December 31, 1995 were as follows (in thousands):

	1995	1994	1993
Primary	171,238	170,752	165,070
Fully diluted	171,238	170,752	246,550

Software capitalization

The cost of development of computer software to be sold or leased is capitalized and amortized to cost of sales over the estimated revenue-producing lives of the products, but not in excess of three years following product release. Unamortized marketable software costs (which are included in other assets) at December 31, 1995 and 1994 were $238.9 and $265.3 million, respectively.

Cost in excess of net assets acquired

Cost in excess of net assets acquired principally represents the excess of cost over fair value of the net assets of Sperry Corporation and Convergent, Inc., which is being amortized on the straight-line method over 40 years and 12 years, respectively. Accumulated amortization at December 31, 1995 and 1994 was $571.6 and $530.7 million, respectively.

The carrying value of cost in excess of net assets acquired is reviewed for impairment whenever events or changes in circumstances indicate that it may not be recoverable. If such an event occurred, the company would prepare projections of future results of operations for the remaining amortization period. If such projections indicated that the cost in excess of net assets acquired would not be recoverable, the company's carrying value of such asset would be reduced by the estimated excess of such value over projected income.

Translation of foreign currency

The local currency is the functional currency for most of the company's international subsidiaries and, as such, assets and liabilities are translated into U.S. dollars at year-end exchange rates. Income and expense items are translated at average exchange rates during the year. Translation adjustments resulting from changes in exchange rates are reported in a separate component of stockholders' equity. Exchange gains and losses on certain forward exchange contracts designated as hedges of international net investments and exchange gains and losses on intercompany balances of a long-term investment nature are also reported in the separate component of stockholders' equity.

For those international subsidiaries operating in hyperinflationary economies, the U.S. dollar is the functional currency and, as such, non-monetary assets and liabilities are translated at historical exchange rates and monetary assets and liabilities are translated at current exchange rates. Exchange gains and losses arising from translation are included in other income.

The company also enters into forward exchange contracts and options that have been designated as hedges of certain transactional exposures. Gains and losses on these instruments are deferred and are recognized in income together with the transaction being hedged.

NOTE 2 Significant 1995 and 1994 fourth quarter events

1995 restructuring charge

In the fourth quarter of 1995, the company recorded a pretax charge of $717.6 million, $581.9 million after tax, or $3.39 per fully diluted common share. The charge included (a) $436.6 million for work force reductions of approximately 7,900 people including severance, notice pay, medical and other benefits, (b) $218.6 million for consolidation of office facilities and manufacturing capacity, and (c) $62.4 million associated with product and program discontinuances.

Cash expenditures related to the restructuring in 1996 and 1997 will approximate $400.0 million and $150.0 million, respectively. Personnel reductions in the U.S. will account for approximately 61% of the work force related accrual and such actions in Europe will represent 32% with the balance of 7% in Americas/Pacific business units. Actual costs incurred are charged to the accrued liability when the actions are taken.

1995 fourth quarter events

In the fourth quarter of 1995, the company recorded a charge (in cost of services) for contract losses of $129.0 million ($88.6 million after tax), or $.51 per primary and fully diluted share, primarily related to a few large multi-year, fixed-price systems integration contracts. Included in the charge is $65.5 million, due to developments with respect to contract terminations.

1994 restructuring charge

In the fourth quarter of 1994, the company recorded a pretax charge of $186.2 million, $133.1 million after tax, or $.78 per fully diluted common share. The charge was related to involuntary employee termination benefits including severance, notice pay, medical and other benefits for approximately 4,600 people and was taken to reduce the company's cost structure.

Cash expenditures in 1994 and 1995 relating to this restructuring charge were $6.3 million for 825 terminations and $133.0 million for 3,565 terminations, respectively. Approximately $36.0 million is expected to be expended in 1996 for salary continuation payments and to terminate approximately 160 people.

Summary

The 1995 charges for restructuring and loss contracts and the 1994 restructuring charge were recorded in the following statement of income classifications:

Year ended December 31 (Millions)	1995	1994
Cost of sales	$ 111.5	$ 30.3
Cost of services	294.4	17.5
Cost of equipment maintenance	92.8	61.8
Selling, general and administrative expenses	305.2	47.7
Research and development expenses	42.7	27.9
Other income, net		1.0
Total	$ 846.6	$ 186.2

NOTE 3 Discontinued operations

During the year ended December 31, 1995, the company sold its defense business for cash of $862 million. The net results of the defense operations for all periods presented are reported separately in the Consolidated Statement of Income as "income from discontinued operations." Prior period financial statements have been restated to report the defense business as a discontinued operation.

The following is a summary of the results of operations of the company's defense business:

Year ended December 31 (Millions)	1995	1994	1993
Revenue	$ 258.1*	$ 1,421.5	$ 1,761.7
Income from operations (net of taxes: 1995, $6.5; 1994, $42.5; 1993, $57.2)	$ 12.5*	$ 96.1	$ 75.3
Loss on sale, net of taxes of $98.2	(9.8)		
Income from discontinued operations	$ 2.7	$ 96.1	$ 75.3

*Reflects results for the period January 1 through March 31, 1995.

The net assets of discontinued operations were as follows:

December 31 (Millions)	1994
Current assets	$ 266.7
Current liabilities	(123.8)
Property, plant and equipment, net	203.7
Cost in excess of net assets acquired	144.5
Other, net	35.4
Total	$ 526.5

NOTE 4 Accounting changes and extraordinary items

In October 1995, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") 123, "Accounting for Stock-Based Compensation." SFAS 123, which is required to be adopted by January 1, 1996, establishes financial accounting and reporting standards for stock-based employee compensation plans, and establishes accounting standards for issuance of equity instruments to acquire goods and services from non-employees.

In March 1995, the FASB issued SFAS 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of." SFAS 121, which is required to be adopted by January 1, 1996, establishes accounting standards for the impairment of long-lived assets, certain intangible assets and cost in excess of net assets related to those assets to be held and used and for long-lived assets and certain identifiable intangibles to be disposed of.

The company does not expect that adoption of SFAS 121 and 123 will have a material effect on its consolidated financial position, consolidated statement of income, or liquidity.

In 1994, the company recorded an extraordinary charge for the repurchases of debt of $7.7 million, net of $5.1 million of income tax benefits, or $.04 per fully diluted common share.

Effective January 1, 1993, the company adopted SFAS 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," and SFAS 109, "Accounting for Income Taxes." The adoption of SFAS 106 decreased net income $194.8 million, net of $124.5 million of income tax benefits, or $.79 per fully diluted common share, and the adoption of SFAS 109 increased net income by $425.0 million, or $1.73 per fully diluted common share. For further discussion of SFAS 106 and 109, see notes 15 and 7, respectively.

In 1993, the company settled certain lawsuits in connection with its sale of the Sperry Aerospace Group in December 1986 to Honeywell, Inc. The Aerospace Group was part of Sperry Corporation, which was acquired by the company in September 1986 in the largest acquisition at the time in the computer industry. The lawsuits alleged violations of securities laws and fraudulent and negligent misrepresentations of interim financial statements of the Sperry Aerospace Group as of and for the six months ended September 30, 1986 prepared in connection with the sale. The sale of the Aerospace Group as a non-strategic business was part of the financing strategy for the acquisition of Sperry Corporation and was carried out very shortly after the completion of this acquisition. The Aerospace Group operations were never reported in the financial results of the company. The settlement of litigation arising out of the sale, therefore, was unrelated to the ordinary activities of the company. Accordingly, the company reported this litigation settlement as an extraordinary charge of $26.4 million, net of $16.8 million of income tax benefits, or $.11 per fully diluted common share.

NOTE 5 Current and long-term receivables, net

Current and long-term receivables, net comprise the following:

December 31 (Millions)	1995	1994
Accounts receivable, net	$ 975.1	$ 907.1
Sales-type leases, net	50.7	83.9
Installment accounts, net	29.2	25.6
Total, net	1,055.0	1,016.6
Less - Current receivables, net	996.3	945.1
Long-term receivables, net	$ 58.7	$ 71.5

At December 31, 1995 and 1994, the company had sold accounts receivable of $393.0 and $359.0 million, respectively. Recourse amounts associated with these sales are expected to be minimal. Adequate reserves are in place to cover potential losses. On an ongoing basis, the company sells accounts receivable to Unisys Receivables, Inc., a wholly owned subsidiary, which then sells such receivables to a master trust. Amounts sold under this arrangement, which are included in the above accounts receivable sold, were $152.5 and $125.0 million at December 31, 1995 and 1994, respectively.

NOTE 6 Inventories

Inventories comprise the following:

December 31 (Millions)	1995	1994
Finished equipment and supplies	$ 358.6	$ 355.0
Work in process and raw materials	315.3	281.3
Total inventories	$ 673.9	$ 636.3

At December 31, 1995 and 1994, inventories included $120.0 and $94.2 million, respectively, of costs related to long-term contracts.

NOTE 7 Estimated income taxes

Year ended December 31 (Millions)	1995	1994	1993
Income (loss) from continuing operations before income taxes			
United States	$ (482.7)	$ (75.2)	$ 265.8
Foreign	(298.4)	89.8	105.1
Total income (loss) from continuing operations before income taxes	$ (781.1)	$ 14.6	$ 370.9
Estimated income taxes (benefit)			
Current			
United States	$ (83.6)	$ (6.0)	$ (40.4)
Foreign	60.5	87.7	(55.2)
State and local	(5.7)	(18.6)	(17.8)
Total	(28.8)	63.1	(113.4)
Deferred			
United States	(140.4)	(32.8)	127.8
Foreign	15.4	(27.8)	57.2
State and local			13.0
Total	(125.0)	(60.6)	198.0
Total estimated income taxes (benefit)	$ (153.8)	$ 2.5	$ 84.6

Reconciliation of estimated income taxes at United States statutory tax rate to estimated income taxes as reported follows:

Year ended December 31 (Millions)	1995	1994	1993
United States statutory income tax (benefit)	$ (273.4)	$ 5.1	$ 129.8
Difference in estimated income taxes on foreign earnings, losses and remittances	192.8	30.3	(17.2)
State taxes	(3.6)	(12.1)	(3.1)
Tax refund claims, audit issues, and other matters	(85.4)	(32.8)	(10.3)
Amortization of cost in excess of net assets acquired	12.6	12.6	12.6
Change in tax rates			(19.4)
Other	3.2	(.6)	(7.8)
Estimated income taxes (benefit)	$ (153.8)	$ 2.5	$ 84.6

The company adopted SFAS 109 effective January 1, 1993. Under the provisions of SFAS 109, deferred tax assets and liabilities are recognized using enacted tax rates and reflect the effect of "temporary differences" between the recorded amounts of assets and liabilities for financial reporting purposes and the tax basis of such assets and liabilities.

The tax effects of temporary differences and carryforwards that give rise to significant portions of deferred tax assets and liabilities at December 31, 1995 and 1994 were as follows:

December 31 (Millions)	1995	1994
Deferred tax assets:		
Tax loss carryforwards	$ 532.8	$ 470.7
Foreign tax credit carryforwards	316.8	287.4

Other tax credit carryforwards	77.8	81.2
Capitalized research and development	114.2	134.6
Depreciation	60.7	113.7
Postretirement benefits	85.3	101.6
Employee benefits	81.6	81.4
Restructuring	286.1	82.3
Other	331.0	255.2
	1,886.3	1,608.1
Valuation allowance	(498.5)	(326.8)
Total deferred tax assets	$ 1,387.8	$ 1,281.3
Deferred tax liabilities:		
Pensions	$ 317.5	$ 284.1
Other	112.1	163.9
Total deferred tax liabilities	$ 429.6	$ 448.0

SFAS 109 requires that deferred tax assets be reduced by a valuation allowance if it is more likely than not that some portion or all of the deferred tax asset will not be realized. During 1995, the net increase in the valuation allowance was $171.7 million.

Cumulative undistributed earnings of foreign subsidiaries, for which no U.S. income or foreign withholding taxes have been recorded, approximated $660 million at December 31, 1995. Such earnings are expected to be reinvested indefinitely. Determination of the amount of unrecognized deferred tax liability with respect to such earnings is not practicable. The additional taxes payable on the earnings of foreign subsidiaries, if remitted, would be substantially offset by U.S. tax credits for foreign taxes already paid. While there are no specific plans to distribute the undistributed earnings in the immediate future, where economically appropriate to do so, such earnings may be remitted.

Cash paid during 1995, 1994, and 1993 for income taxes was $132.2, $87.6, and $118.1 million, respectively.

At December 31, 1995, the company has U.S. federal and state and local tax loss carryforwards and foreign tax loss carryforwards for certain foreign subsidiaries, the tax effect of which is approximately $532.8 million. These carryforwards will expire as follows (in millions): 1996, $10.6; 1997, $12.2; 1998, $9.3; 1999, $16.5; 2000, $16.0; and $468.2 thereafter. The company also has available tax credit carryforwards of approximately $394.6 million, which will expire as follows (in millions): 1996, $2.6; 1997, $2.1; 1998, $114.6; 1999, $132.0; 2000, $96.1; and $47.2 thereafter.

The company's net deferred tax assets include substantial amounts of net operating loss and tax credit carryforwards. Failure to achieve forecasted taxable income might affect the ultimate realization of the net deferred tax assets. In recent years, the information management business has undergone dramatic changes and there can be no assurance that in the future there would not be increased competition or other factors which may result in a decline in sales or margins, loss of market share, or technological obsolescence.

In 1995, the Internal Revenue Service completed its audit of Sperry Corporation for the years ended March 31, 1985 and 1986 and for the short period ended September 16, 1986. The company is currently contesting issues in connection with Sperry Corporation for the years ended March 31, 1978 through September 16, 1986. The audit of Convergent, Inc. is currently in the process of being finalized for the years 1985-1988. In management's opinion, adequate provisions for income taxes have been made for all years.

NOTE 8 Properties and rental equipment

Properties and rental equipment comprise the following:

December 31 (Millions)	1995	1994
Land	$ 26.8	$ 27.2
Buildings	239.8	248.7
Machinery and equipment	1,312.6	1,313.2
Tools and test equipment	159.8	204.3
Unamortized leasehold improvements	52.7	48.8
Construction in progress	29.9	28.6
Rental equipment	266.8	339.1
Total properties and rental equipment	$ 2,088.4	$ 2,209.9

NOTE 9 Long-term debt

Long-term debt comprises:

December 31 (Millions)	1995	1994
10 5/8% senior notes due 1999	$ 330.1	$ 330.1
8 1/4% convertible subordinated notes due 2000	345.0	345.0
9 3/4% senior notes due 1996	238.1	238.1
Credit sensitive notes due 1997	291.8	291.8
9 3/4% senior sinking fund debentures due 2016	190.0	190.0
9 1/2% notes due 1998	197.5	197.5
8 7/8% notes due 1997	135.0	135.0
Japanese yen, 5.52% due 1996	100.3	100.3
11 3/8% subordinated notes		50.0
6 3/4% bonds		17.1
Other	49.0	40.4
Total	1,876.8	1,935.3
Less - Current maturities	343.5	71.2
Total long-term debt	$ 1,533.3	$ 1,864.1

Total long-term debt maturities in 1996, 1997, 1998, 1999, and 2000 are $343.5, $431.8, $211.0, $343.7, and $360.7 million, respectively.

Cash paid during 1995, 1994 and 1993 for interest was $201.3, $208.9, and $256.7, million, respectively.

The company has a $325 million revolving credit agreement with a syndicate of banks that expires on May 31, 1996. This agreement provides for short-term borrowings and up to $100 million of letters of credit. The terms of the agreement include a minimum net worth requirement, an interest coverage ratio, and a limitation on the payment of dividends, payment of debt and amount of outstanding debt. In September and December of 1995, the bank syndicate waived compliance with those covenants that were impacted by results of operations in the respective quarters. Borrowings under the facility are now subject to approval by the bank group. The company has never utilized the facility and does not expect to do so.

The company pays commitment fees on the unused amount of the revolving credit agreement; there are no compensating balance requirements. Revolving credit borrowings, at the company's option, are at the agent bank's base rate or the London Interbank Offered Rate, plus a margin depending on the company's debt rating on its outstanding senior unsecured long-term debt securities. Commissions for letters of credit also vary depending on such debt rating. In addition, international subsidiaries maintain short-term credit arrangements with banks in accordance with local customary practice.

NOTE 10 Other accrued liabilities

Other accrued liabilities comprise the following:

December 31 (Millions)	1995	1994
Payrolls and commissions	$ 328.4	$ 287.5
Customers' deposit and prepayments	507.3	430.2
Taxes other than income taxes	172.4	157.5
Restructuring*	503.7	209.3
Other	165.6	39.1
Total other accrued liabilities	$ 1,677.4	$ 1,123.6

*At December 31, 1995, an additional $230.6 million was reported in other liabilities on the consolidated balance sheet.

NOTE 11 Leases

Rental expense, less income from subleases, for 1995, 1994, and 1993 was $195.8, $195.1, and $211.8 million, respectively.

Minimum net rental commitments under noncancelable operating leases outstanding at December 31, 1995, substantially all of which relate to real properties, were as follows: 1996, $170.2 million; 1997, $140.6 million; 1998, $116.1 million; 1999, $89.9 million; 2000, $71.8 million; and thereafter, $457.2 million. Such rental commitments have been reduced by minimum sublease rentals of $114.5 million due in the future under noncancelable subleases.

NOTE 12 Litigation

There are various lawsuits, claims, and proceedings that have been brought or asserted against the company. Although the ultimate results of these lawsuits, claims, and proceedings are not presently determinable, management does not expect that these matters will have a material adverse effect on the company's consolidated financial position, consolidated statement of income, or liquidity.

NOTE 13 Financial instruments

The company uses derivative financial instruments to reduce its exposure to market risks from changes in foreign exchange rates and interest rates. The company does not hold or issue financial instruments for speculative trading purposes. The derivative instruments used are foreign exchange forward contracts and options, and interest rate and foreign currency swap agreements. These derivatives, which are over-the-counter instruments, are non-leveraged and involve little complexity.

The company monitors and controls its risks in the derivative transactions referred to above by periodically assessing the cost of replacing, at market rates, those contracts in the event of default by the counterparty. The company believes such risk to be remote. In addition, before entering into derivative contracts, and periodically during the life of the contract, the company reviews the counterparties' financial condition.

Due to its foreign operations, the company is exposed to the effects of foreign exchange rate fluctuations on the U.S. dollar. Foreign exchange forward contracts and options generally having maturities of less than nine months are entered into for the sole purpose of hedging long-term investments in foreign subsidiaries and certain transactional exposures.

The cost of foreign currency options is recorded in prepaid expenses in the consolidated balance sheet. At December 31, 1995, such prepaid expense was $6.1 million. When the U.S. dollar strengthens against foreign currencies, the decline in value of the underlying exposures is partially offset by gains in the value of purchased currency options designated as hedges. When the U.S. dollar weakens, the increase in the value of the underlying exposures is reduced only by the premium paid to purchase the options. The cost of options and any gains thereon are reported in income when the related transactions being hedged (generally within twelve months) are recognized.

The company also enters into foreign exchange forward contracts. Gains and losses on such contracts, which hedge transactional exposures, are deferred and included in current liabilities until the corresponding transaction is recognized. At December 31, 1995, the company had a total of $370.9 million (of notional value) of foreign exchange forward contracts, $176.1 million to sell foreign currencies and $194.8 million to buy foreign currencies. At December 31, 1994, the company had a total of $1,483.7 million of such contracts, $811.2 million to sell foreign currencies and $672.5 million to buy foreign currencies. At December 31, 1995, a realized net gain of approximately $24.7 million was deferred and included in current liabilities on such contracts. Gains or losses on foreign exchange forward contracts that hedge foreign currency transactions are reported in income when the related transactions being hedged (generally within twelve months) are recognized. Gains or losses on those contracts that hedge long-term investments in foreign subsidiaries are reported in a separate component of stockholders' equity for translation adjustments.

The company uses interest rate swap agreements to effectively convert variable rate obligations to a fixed-rate basis, and uses foreign currency swaps to effectively convert foreign currency denominated debt to U.S. dollar denominated debt in order to reduce the impact of interest rate and foreign currency rate changes on future income. The differential to be paid or received under these agreements is recognized as an adjustment to interest expense related to the debt. The related amount payable to or receivable from counterparties is included in current liabilities or current receivables. At December 31, 1995, the weighted average fixed rate paid by the company was 8.9%. The fair values of the swap agreements are not recognized in the financial statements. At December 31, 1995, the company had one interest rate swap contract with a total notional value of $50.2 million which expires in 1996, and one foreign currency swap for $50.1 million expiring in 1996. During the three years ended December 31, 1995, there were no terminations of swap contracts. Accordingly, there were no deferred gains or losses related to such swaps as of December 31, 1995.

Financial instruments comprise the following:

December 31 (millions)	1995	1994
Outstanding:		
Long-term debt	$ 1,876.8	$ 1,935.3
Foreign exchange forward contracts*	370.9	1,483.7
Foreign exchange options*	256.8	373.9
Interest rate swaps*	50.2	63.8
Foreign currency swaps*	50.1	50.1
Estimated fair value:		
Long-term debt	1,715.8	1,935.6
Foreign exchange forward contracts	369.3	1,484.1
Foreign exchange options	3.8	4.8
Interest rate swaps	(1.0)	(.9)
Foreign currency swaps	18.6	22.1

*notional value

Financial instruments also include temporary cash investments and customer accounts receivable. Temporary investments are placed with creditworthy financial institutions, primarily in over-securitized treasury repurchase agreements, Euro-time deposits or commercial paper of major corporations. The company's cash equivalents are classified as available-for-sale and at December 31, 1995 principally have maturities of less than one month. Due to the short maturities of these instruments, they are carried on the balance sheet at cost plus accrued interest, which approximates market value. Realized gains or losses during 1995, as well as unrealized gains or losses at December 31, 1995, were immaterial. Receivables are due from a large number of customers which are dispersed worldwide across many industries. At December 31, 1995 and 1994, the company had no significant concentrations of credit risk.

For foreign currency contracts and options, no impact on financial position or results of operations would result from a change in the level of the underlying rate, price or index. All of the company's foreign currency contracts and options are hedges against specific exposures and have been accounted for as such. Therefore, a change in the derivative's value would be offset with an equal but opposite change in the hedged item.

The carrying amount of cash, cash equivalents, and marketable securities approximates fair value because of the short maturity of these instruments. The fair value of the company's long-term debt was based on the quoted market prices for publicly traded issues. For debt that is not publicly traded, the fair value was estimated based on current yields to maturity for the company's publicly traded debt with similar maturities. In estimating the fair value of its derivative positions, the company utilizes quoted market prices, if available, or quotes obtained from outside sources.

NOTE 14 Business segment information

The company operates primarily in one business segment - information management. This segment represents more than 90% of consolidated revenue, operating profit and identifiable assets. The company's principal products and services include enterprise systems and servers, departmental servers and desktop systems, software, information services and systems integration, and equipment maintenance. These products and services are marketed throughout the world to commercial businesses and governments. The company's worldwide operations are structured to achieve consolidated objectives. As a result, significant interdependencies and overlaps exist among the company's operating units. Accordingly, the revenue, operating profit and identifiable assets shown for each geographic area may not be indicative of the amounts which would have been reported if the operating units were independent of one another.

Sales and transfers between geographic areas are generally priced to recover cost plus an appropriate mark-up for profit. Operating profit is revenue less related costs and direct and allocated operating expenses, excluding interest and the unallocated portion of corporate expenses. Corporate assets are those assets maintained for general purposes, principally cash and cash equivalents, marketable securities, costs in excess of net assets acquired, prepaid pension assets, deferred taxes, investments at equity, net assets of discontinued operations and corporate facilities.

No single customer accounts for more than 10% of revenue. Revenue from various agencies of the U.S. Government approximated $530, $476, and $797 million in 1995, 1994, and 1993, respectively.

A summary of the company's operations by geographic area is presented below:

(Millions)	1995	1994	1993
United States			
Customer revenue	$ 2,405.5	$ 2,389.1	$ 2,513.7
Affiliate revenue	721.6	695.6	944.1
Total	$ 3,127.1	$ 3,084.7	$ 3,457.8
Operating profit (loss)	$ (306.9)	$ 33.3	$ 352.2
Identifiable assets	1,368.5	1,247.8	1,378.6
Europe and Africa			
Customer revenue	$ 2,090.3	$ 1,935.4	$ 1,921.2
Affiliate revenue	28.8	47.2	107.5
Total	$ 2,119.1	$ 1,982.6	$ 2,028.7
Operating (loss)	$ (505.0)	$ (82.5)	$ (165.0)
Identifiable assets	827.8	758.2	702.4
Americas/Pacific			
Customer revenue	$ 1,706.5	$ 1,653.7	$ 1,545.9
Affiliate revenue	138.7	177.7	167.9
Total	$ 1,845.2	$ 1,831.4	$ 1,713.8
Operating profit	$ 408.0	$ 392.6	$ 465.9
Identifiable assets	496.1	628.1	578.9
Adjustments and eliminations			
Affiliate revenue	$ (889.1)	$ (920.5)	$ (1,219.5)
Operating profit	21.5	18.4	17.1
Identifiable assets	(23.9)	(50.7)	(66.6)
Consolidated			
Revenue	$ 6,202.3	$ 5,978.2	$ 5,980.8
Operating profit (loss)	$ (382.4)	$ 361.8	$ 670.2
General corporate expenses	(196.6)	(143.5)	(57.6)
Interest expense	(202.1)	(203.7)	(241.7)
Income (loss) from continuing operations before income taxes	$ (781.1)	$ 14.6	$ 370.9
Identifiable assets	$ 2,668.5	$ 2,583.4	$ 2,593.3
Corporate assets	4,444.7	4,610.0	4,756.1
Total assets	$ 7,113.2	$ 7,193.4	$ 7,349.4

NOTE 15 Employee plans

Retirement benefits

Defined benefit retirement income plans cover the majority of domestic employees and certain employees in countries outside the United States. In the United States, the company has retirement plans under which funds are deposited with a trustee. Major subsidiaries outside the United States provide for employee pensions in accordance with local requirements and customary practices, and several maintain funded defined benefit plans.

For plans covered by the Employee Retirement Income Security Act ("ERISA"), the company's funding policy is to fund in accordance with ERISA funding standards. The various benefit formulas and the funding methods used in the international plans are in accordance with local requirements. Plan assets generally are invested in common stocks, fixed-income securities, insurance contracts, and real estate. At December 31, 1995, the assets of the company's U.S. pension plans included approximately 1.8 million shares of the company's common stock valued at approximately $9.7 million.

Net curtailment gains of $14.9, $8.3, and $7.4 million have been recognized in 1995, 1994, and 1993, respectively.

Stock plans

Under plans approved by the stockholders, stock options, stock appreciation rights, restricted stock and performance units may be granted to officers and other key employees.

Options have been granted to purchase the company's common stock at

100% of the fair market value at the date of grant. Options have a maximum duration of ten years and become exercisable in annual installments over a two, three or four year period following date of grant.

Other postretirement benefits

The company provides certain health care benefits for U.S. employees who retired or terminated after qualifying for such benefits. Most international employees are covered by government-sponsored programs and the cost to the company is not significant. The company expects to fund its share of such benefit costs principally on a pay-as-you-go-basis.

The company adopted SFAS 106 effective January 1, 1993. SFAS 106 required the company to change from the cash basis of accounting for such benefits by requiring the accrual, during the years that the employee renders services, of the estimated cost of providing such benefits.

In 1992, the company announced changes to its post-retirement benefit plans, effective January 1, 1993, whereby the company's current subsidy would be phased out, ending as of January 1, 1996. Several lawsuits have been brought by plan participants challenging the announced changes to the plans, and the company is defending them vigorously. In 1994, several of these lawsuits were resolved which resulted in the company recognizing income of $13.8 million ($8.0 million amortization of prior service benefit and $5.8 million settlement).

Net periodic postretirement benefit cost for 1995, 1994 and 1993 includes the following components:

Year ended December 31 (Millions)	1995	1994	1993
Service cost - benefits earned during the period	$ .1	$ 1.0	$ 1.2
Interest cost on accumulated postretirement benefit obligation	17.6	22.1	26.1
Amortization of prior service benefit	(8.5)	(8.0)	
Net amortization and deferral	3.6	(2.5)	.5
Return on plan assets	(4.2)	.5	(3.3)
Net periodic postretirement benefit cost	$ 8.6	$ 13.1	$ 24.5

The status of the plan and amounts recognized in the company's consolidated balance sheet at December 31, 1995 and 1994 were as follows:

Year ended December 31 (Millions)	1995	1994
Actuarial present value of accumulated postretirement benefit obligation:		
Retirees	$ 223.4	$ 240.2
Fully eligible active plan participants		14.9
Other active plan participants		12.3
	223.4	267.4
Less plan assets at fair value	(27.3)	(26.5)
Accrued postretirement benefit liability in excess of plan assets	196.1	240.9
Unrecognized net loss	(8.3)	(27.9)
Unrecognized prior service benefit	30.9	39.2
Accrued postretirement benefit obligation recognized in the consolidated balance sheet	$ 218.7	$ 252.2

As of December 31, 1995, the entire liability was classified as long-term.

The assumed rate of return on plan assets, which are principally invested in fixed-income securities, was 8% in 1995 and 1994, respectively, and the weighted average discount rate used to measure the accumulated postretirement benefit obligation was 7.5% at December 31, 1995 and 8.75% at December 31, 1994. The assumed health care cost trend rate used in measuring the expected cost of benefits covered by the plan was 9.5% for 1996, gradually declining to 6% in 2006 and thereafter. A one-percentage point increase in the assumed health care cost trend rate would increase the accumulated postretirement benefit obligation at December 31, 1995 by $11.3 million and increase the aggregate of the service and interest cost components of net periodic postretirement health care benefit cost by $1.0 million.

Retirement benefits

The plans' funded status and amounts recognized in the company's consolidated balance sheet at December 31, 1995 and 1994 were as follows:

	Assets Exceed Accumulated Benefits				Accumulated Benefits Exceed Assets			
	U.S. Plans		Int'l Plans		U.S. Plans		Int'l Plans	
(Millions)	1995	1994	1995	1994	1995	1994	1995	1994
Actuarial present value of benefit obligations:								
Vested benefit obligation	$ 3,165.4	$ 2,702.4	$ 631.3	$ 519.7	$ 49.8	$ 40.5	$ 31.8	$ 44.9
Accumulated benefit obligation	$ 3,226.7	$ 2,773.2	$ 642.9	$ 536.0	$ 51.0	$ 42.1	$ 50.2	$ 67.6
Projected benefit obligation	$ 3,254.2	$ 2,798.3	$ 674.7	$ 603.8	$ 53.4	$ 45.1	$ 58.4	$ 75.7
Plan assets at fair value	3,390.8	2,961.1	784.1	652.8			27.0	42.5
Projected benefit obligation less than (in excess of) plan assets	136.6	162.8	109.4	49.0	(53.4)	(45.1)	(31.4)	(33.2)
Unrecognized net loss (gain)	580.0	507.6	(3.9)	37.9	12.4	4.2	.7	7.7
Unrecognized prior service (benefit) cost	(65.8)	(86.7)	4.2	4.7	2.2	2.2	1.2	2.0
Unrecognized net (asset) obligation at date of adoption	(.4)	(.4)	(4.3)	(1.8)	4.0	4.8	4.7	3.5
Prepaid pension cost (pension liability) recognized in the consolidated balance sheet	$ 650.4	$ 583.3	$ 105.4	$ 89.8	$ (34.8)	$ (33.9)	$ (24.8)	$ (20.0)

Net periodic pension cost for 1995, 1994, and 1993 includes the following components:

	U.S. Plans			International Plans		
(Millions)	1995	1994	1993	1995	1994	1993
Service cost - benefits earned during the period	$ 33.8	$ 44.1	$ 43.2	$ 22.9	$ 22.2	$ 18.4
Interest cost on projected benefit obligation	245.2	231.5	229.9	49.5	42.7	42.3
Return on assets	(684.1)	5.6	(343.1)	(85.6)	33.8	(116.1)
Net amortization and deferral	355.2	(293.7)	42.7	25.3	(86.8)	58.2
Net periodic pension (income) cost	$ (49.9)	$ (12.5)	$ (27.3)	$ 12.1	$ 11.9	$ 2.8

The assumptions used to determine the above data were as follows:

Discount rate	7.50%	8.75%	7.38%	7.23%	7.48%	6.93%
Rate of increase in compensation levels	5.40%	5.40%	5.13%	4.08%	4.43%	4.27%
Expected long-term rate of return on assets	10.00%	10.00%	10.00%	8.37%	8.40%	9.15%

Stock plans

A summary of the changes in shares under option for all plans follows:

Year ended December 31	1995		1994	
(Shares in thousands)	Shares	Price Range	Shares	Price Range
Outstanding at beginning of year	17,473.5	$ 3 3/4 - 44 1/2	15,402.2	$ 3 3/4 - 44 1/2
Granted	4,331.5	$ 5 5/8 - 11 1/4	4,499.2	$ 8 5/8 - 14 3/8
Exercised	(471.3)	$ 3 3/4 - 9 7/8	(654.0)	$ 3 3/4 - 14 7/8
Canceled	(3,904.7)		(1,773.9)	

Outstanding at end of year	17,429.0	$ 4 1/8 - 44 1/2	17,473.5	$ 3 3/4 - 44 1/2
Exercisable at end of year	9,996.7		9,619.9	
Shares available for granting options at end of year	4,480.2		2,104.5	

NOTE 16 Stockholders' equity

Changes in stockholders' equity during the three years ended December 31, 1995 were as follows:

(Millions)	Preferred Stock Series A	Preferred Stock Series B	Preferred Stock Series C	Common Stock	Retained Earnings (Accumulated Deficit)	Other Capital: Treasury Stock	Other Capital: Translation Adjustments	Other Capital: Other, Principally Paid-in Capital
Balance at December 31, 1992	$ 1,428.0	$ 50.0	$ 100.0	$ 1.6	$(228.0)	$(13.6)	$(337.5)	$ 1,243.6
Issuance of stock under stock option and other plans						(1.7)		7.1
Contribution to pension plan				.1				89.2
Net income					565.4			
Dividends					(177.6)			
Translation adjustments							(23.3)	
Other	(7.8)							
Balance at December 31, 1993	1,420.2	50.0	100.0	1.7	159.8	(15.3)	(360.8)	1,339.9
Issuance of stock under stock option and other plans						(.7)		3.6
Net income					100.5			
Dividends					(214.6)			
Translation adjustments							20.0	
Other	.1							.1
Balance at December 31, 1994	1,420.3	50.0	100.0	1.7	45.7	(16.0)	(340.8)	1,343.6
Issuance of stock under stock option and other plans						(.3)		2.7
Net income (loss)					(624.6)			
Dividends					(123.7)			
Translation adjustments							1.6	
Balance at December 31, 1995	$ 1,420.3	$ 50.0	$ 100.0	$ 1.7	$ (702.6)	$ (16.3)	$ (339.2)	$ 1,346.3

The company has 360,000,000 authorized shares of common stock, par value $.01 per share. The company has 40,000,000 shares of authorized preferred stock, par value $1 per share, issuable in series.

In 1993, the company contributed seven million shares of its common stock, valued at $89.2 million, to its U.S. pension plan.

The company has authorization to issue up to 30,000,000 shares of Series A Cumulative Convertible Preferred Stock ("Series A Preferred Stock"), 10 shares of Series B Cumulative Convertible Preferred Stock ("Series B Preferred Stock") and 20 shares of Series C Cumulative Convertible Preferred Stock ("Series C Preferred Stock").

Each share of Series A Preferred Stock (i) accrues quarterly cumulative dividends of $3.75 per share per annum, (ii) has a liquidation preference of $50.00 plus accrued and unpaid dividends, (iii) is convertible into 1.67 shares of the company's common stock, subject to customary anti-dilution adjustments, and (iv) is redeemable at the option of the company under certain circumstances and at varying prices. If, on the date used to determine stockholders of record for a meeting of stockholders at which directors are to be elected, preferred stock dividends are in arrears in an amount equal to at least six quarterly dividends, the number of members of the Board of Directors will be increased by two as of the date of such stockholders' meeting and the holders of shares of Series A Preferred Stock will be entitled to vote for and elect such two additional directors.

Mitsui & Co., Ltd. ("Mitsui") owns $150 million of convertible preferred stock, which includes 10 shares of Series B Preferred Stock and 20 shares of Series C Preferred Stock. The Series B Preferred Stock and the Series C Preferred Stock are convertible at the option of the holder into the company's common stock at conversion prices of $20.00 and $21.00 per share, respectively, subject to customary anti-dilution adjustments. Both Series B Preferred Stock and Series C Preferred Stock (i) have a stated value of $5 million per share, (ii) accrue quarterly cumulative dividends based on such stated value at 8 7/8% per annum until

June 28, 1995 and 9 1/2% per annum from June 28, 1995 to June 28, 1997, (iii) accrue dividends on the amount of any unpaid dividends, (iv) are redeemable at the option of the company at a premium that is determined by reference to interest rates then in effect and the amount of time then remaining to June 28, 1997, and (v) are entitled to receive upon liquidation the stated value plus accrued and unpaid dividends. In the event that the Series B Preferred Stock and Series C Preferred Stock have not been previously redeemed by the company or converted by the holder, the company will be required to convert both series into the company's common stock based on the then-current market price after June 28, 1996 (or after June 28, 1995 if so requested by Mitsui, the original holder of the Series B Preferred Stock and Series C Preferred Stock), or earlier under certain extraordinary circumstances, and conduct a managed sale program of the common stock. Such conversions and sales must, in general, be completed by June 28, 1997. To the extent that the proceeds received by Mitsui from such managed sale program are less than the stated value of the shares so converted, plus accrued and unpaid dividends and a present valued premium amount if such conversion takes place before June 28, 1997, the company has agreed to issue additional shares of capital stock to Mitsui which will be sold in a manner approved by the company until Mitsui receives proceeds equal to the sum of such amounts. Shares of Series B Preferred Stock and Series C Preferred Stock rank pari passu with each other and with Series A Preferred Stock, and the holders of Series A, B and C Preferred Stock have priority as to dividends over holders of the company's common stock and other series or classes of the company's stock that rank junior with regard to dividends. Each series of Cumulative Convertible Preferred Stock is non-voting except with respect to certain matters relating to the rights and preferences of such series. With respect to such matters, each of the Series B Preferred Stock and Series C Preferred Stock votes separately as a class. The Series A Preferred Stock also votes as a class on these matters, but its class includes the Series B Preferred Stock and Series C Preferred Stock, as well as any other series of preferred stock having equal rank as to dividends and liquidation rights.

Each outstanding share of common stock has attached to it one preferred share purchase right. Each right entitles the registered holder to purchase for $75, under certain circumstances, one three-hundredth of a share of Junior Participating Preferred Stock, par value $1 per share. The rights become exercisable only if a person or group acquires 20% or more of the company's common stock, or announces a tender or exchange offer for 30% or more of the common stock. If the company is acquired (or survives in a reverse merger transaction) or 50% or more of its consolidated assets or earning power are sold, each right will entitle its holder to purchase a number of the acquiring company's common shares (or the company's common shares) having a market value of $150. The company will be entitled to redeem the rights at one and two-thirds cents per right prior to the earlier of the expiration of the rights, or the time that a 20% position has been acquired. Until the rights become exercisable, they have no dilutive effect on net income per common share.

At December 31, 1995, 113.5 million shares of unissued common stock of the company were reserved for the following: 57.2 million for convertible preferred stock, 33.7 million for the 8 1/4 % convertible subordinated debentures and 22.6 million for stock options and stock purchase plans.

Changes in issued shares during the three years ended December 31, 1995 were as follows:

	Preferred Stock			Common	Treasury
	Series A	Series B	Series C	Stock	Stock
Balance at December 31, 1992	28,559,598	10	20	162,604,036	(672,555)
Issuance of stock under stock option and other plans				1,566,568	(133,628)
Contribution to pension plan				7,000,000	
Other	(155,159)			423	
Balance at December 31, 1993	28,404,439	10	20	171,171,027	(806,183)
Issuance of stock under stock option and other plans				654,024	(58,861)
Other	747			2,298	
Balance at December 31, 1994	28,405,186	10	20	171,827,349	(865,044)
Issuance of stock under stock option and other plans				488,726	(27,965)
Other	(37)			60	
Balance at December 31, 1995	28,405,149	10	20	172,316,135	(893,009)

Report of Independent Auditors

To the Board of Directors of Unisys Corporation

We have audited the accompanying consolidated balance sheets of Unisys Corporation at December 31, 1995 and 1994, and the related consolidated statements of income and cash flows for each of the three years in the period ended December 31, 1995. These financial statements are the responsibility of Unisys Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Unisys Corporation at December 31, 1995 and 1994, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 1995, in conformity with generally accepted accounting principles.

As discussed in Note 4 to the consolidated financial statements, in 1993 Unisys Corporation changed its method of accounting for postretirement benefits other than pensions and income taxes.

/s/ ERNST & YOUNG LLP

Philadelphia, Pennsylvania
January 26, 1996

SUPPLEMENTAL FINANCIAL DATA (UNAUDITED)
Unisys Corporation
Quarterly financial information

(Millions, except per share data)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year
1995					
Revenue	$1,407.1	$1,495.8	$1,460.7	$1,838.7	$6,202.3
Gross profit	494.4	533.8	447.2	119.8	1,595.2
Income (loss) from continuing operations before income taxes	48.4	60.6	(48.8)	(841.3)	(781.1)
Income (loss) from continuing operations	32.1	39.8	(32.2)	(667.0)	(627.3)
Income (loss) from discontinued operations	12.5			(9.8)	2.7
Net income (loss)	44.6	39.8	(32.2)	(676.8)	(624.6)
Dividends on preferred shares	29.9	30.0	30.2	30.2	120.3
Earnings (loss) on common shares	14.7	9.8	(62.4)	(707.0)	(744.9)
Earnings (loss) per common share - primary and fully diluted					
Continuing operations	.02	.06	(.36)	(4.06)	(4.37)
Discontinued operations	.07			(.06)	.02
Total	.09	.06	(.36)	(4.12)	(4.35)
Market price per common share - high	10 1/8	11 3/4	11	8 5/8	11 3/4
- low	8 1/2	9 1/8	7 5/8	5 1/2	5 1/2
1994					
Revenue	$1,305.8	$1,441.5	$1,481.9	$1,749.0	$5,978.2
Gross profit	513.2	548.1	549.3	552.2	2,162.8
Income (loss) from continuing operations before income taxes	47.6	31.0	43.0	(107.0)	14.6
Income (loss) from continuing operations before extraordinary item	34.6	22.7	30.8	(76.0)	12.1
Income from discontinued operations	33.1	27.2	12.1	23.7	96.1
Net income (loss)	60.0	49.9	42.9	(52.3)	100.5
Dividends on preferred shares	30.1	30.0	30.0	30.0	120.1
Earnings (loss) on common shares	29.9	19.9	12.9	(82.3)	(19.6)
Earnings (loss) per common share - primary					
Continuing operations	.02	(.04)	.01	(.62)	(.63)
Discontinued operations	.19	.16	.07	.14	.56
Extraordinary item	(.04)				(.04)
Total	.17	.12	.08	(.48)	(.11)
Earnings (loss) per common share - fully diluted					
Continuing operations	.05	(.01)	.02	(.62)	(.63)
Discontinued operations	.16	.13	.06	.14	.56
Extraordinary item	(.04)				(.04)
Total	.17	.12	.08	(.48)	(.11)
Market price per common share - high	16 1/2	15 1/4	11 1/4	12 1/8	16 1/2
- low	12 1/2	8 5/8	8 5/8	8 1/4	8 1/4

In the fourth quarter of 1995, the company recorded charges of $846.6 million, or $3.90 per fully diluted common share, and in the fourth quarter of 1994, the company recorded a restructuring charge of $186.2 million, or $.78 per fully diluted common share. See Note 2 of the Notes to Consolidated Financial Statements.

The individual quarterly per common share amounts may not total to the per common share amount for the full year because of accounting rules governing the computation of earnings per common share.

Market prices per common share are as quoted on the New York Stock Exchange composite listing.

Five-year summary of selected financial data

(Millions, except per share data)	1995	1994	1993	1992	1991
Results of operations					
Revenue	$6,202.3	$5,978.2	$5,980.8	$6,600.9	$6,791.1
Operating income (loss)	(698.1)	154.4	572.4	573.5	(732.0)
Income (loss) from continuing operations before income taxes	(781.1)	14.6	370.9	301.3	(1,425.6)
Income (loss) from continuing operations before extraordinary items and changes in accounting principles	(627.3)	12.1	286.3	166.3	(1,520.2)
Net income (loss)	(624.6)	100.5	565.4	361.2	(1,393.3)
Dividends on preferred shares	120.3	120.1	121.6	122.1	121.2
Earnings (loss) on common shares	(744.9)	(19.6)	443.8	239.1	(1,514.5)
Earnings (loss) from continuing operations per common share					
Primary	(4.37)	(.63)	1.00	.27	(10.16)
Fully diluted	(4.37)	(.63)	1.17	.33	(10.16)
Financial position					
Working capital	$71.3	$1,015.7	$681.0	$513.3	$384.3
Total assets	7,113.2	7,193.4	7,349.4	7,322.1	8,218.7
Long-term debt	1,533.3	1,864.1	2,025.0	2,172.8	2,694.6
Common stockholders' equity	289.9	1,034.2	1,057.3	541.8	342.1
Common stockholders' equity per share	1.69	6.05	6.21	3.35	2.12
Other data					
Engineering, research and development	$409.5	$463.6	$489.3	$505.6	$610.6
Capital additions of properties and rental equipment	195.0	208.2	173.5	227.0	222.7
Investment in marketable software	123.0	121.3	118.7	110.2	167.7
Depreciation	203.0	226.2	252.0	311.4	412.1
Amortization					
Marketable software	151.7	150.5	144.6	131.8	241.0
Cost in excess of net assets acquired	40.9	36.9	36.7	36.8	246.6
Common shares outstanding (millions)	171.4	171.0	170.4	161.9	161.7
Stockholders of record (thousands)	41.5	45.3	47.8	51.7	54.6
Employees (thousands)	37.4	37.8	38.2	41.7	46.4

Includes special pretax charges of $846.6 million, $186.2 million and $1,200.0 million for the years ended December 31, 1995, 1994, and 1991, respectively.

After deduction of cumulative preferred dividends in arrears.

Revenue by similar classes of products and services

Year ended December 31 (Millions)	1995		1994		1993	
Enterprise systems and servers	$1,118.4	18%	$1,415.3	24%	$1,648.4	28%
Departmental servers and desktop systems	795.3	13	749.6	12	750.3	12
Software	732.6	12	712.2	12	779.9	13
Total sales	2,646.3	43	2,877.1	48	3,178.6	53
Information services and systems integration	2,198.1	35	1,759.4	30	1,358.2	23
Equipment maintenance	1,357.9	22	1,341.7	22	1,444.0	24
Total	$6,202.3	100%	$5,978.2	100%	$5,980.8	100%

Enterprise systems and servers comprise a complete line of small to large processors and related communications and peripheral products, such as printers, storage devices, and document handling processors and equipment. Departmental servers and desktop systems include UNIX servers, workstations, personal computers, and terminals. Software consists of application and systems software. Information services and systems integration includes systems integration, outsourcing services, application development, information planning, and education. Equipment maintenance results from charges for preventive maintenance, spare parts, and other repair activities.

Individual products have been assigned to a specific class based on a variety of factors. Over time, reclassification of products may be necessary because of changing technology, company strategy, and market conditions. Such evolution from year to year must be kept in mind when using this table for trend analysis.

EXHIBIT 21

SUBSIDIARIES OF THE REGISTRANT

Unisys Corporation, the registrant, a Delaware company, has no parent. The registrant owns directly or indirectly all the voting securities of the following subsidiaries:

Name of Company	State or Other Jurisdiction Under the Laws of Which Organized
Unisys Canada Inc.	Canada
Convergent Technologies, Inc.	California
Unisys Australia Limited	Michigan
Unisys Espana S. A.	Spain
Unisys (Schweiz) A.G.	Switzerland
Unisys Belgium	Belgium
Unisys Deutschland G.m.b.H.	Germany
Unisys Eletronica Ltda.	Brazil
Unisys France	France
Unisys Italia S.p.A.	Italy
Unisys Limited	England
Unisys Nederland N.V.	Netherlands
Unisys de Mexico, S.A. de C.V.	Mexico
Unisys Korea Limited	Korea
Unisys South Africa, Inc.	Delaware
Unisys de Colombia, S.A.	Delaware

The names of certain subsidiaries are omitted from the above list; such subsidiaries, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary.

EXHIBIT 23

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in this Annual Report (Form 10-K) of Unisys Corporation of our report dated January 26, 1996, included in the 1995 Annual Report to Stockholders of Unisys Corporation.

Our audits also included the financial statement schedule of Unisys Corporation listed in Item 14(a). This schedule is the responsibility of Unisys Corporation's management. Our responsibility is to express an opinion based on our audits. In our opinion, the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We consent to the incorporation by reference in the following Registration Statements: (1) Registration Statement (Form S-8 No. 33-20588) pertaining to the Unisys Savings Plan, (2) Registration Statement (Form S-8 No. 33-7893) pertaining to the Burroughs LTIP, (3) Registration Statement (Form S-8 No. 2-76948) pertaining to Burroughs Employees 1972 Payroll Deduction Stock Purchase Plans, (4) Registration Statement (Form S-8 No. 33-4317) pertaining to the Burroughs 1985 Payroll Deduction Stock Purchase Plan, (5) Registration Statement (Form S-8 No. 33-20204) pertaining to the Unisys Retirement Investment Plan, (6) Registration Statement (Form S-8 No. 33-20205) pertaining to the Unisys Retirement Investment Plan II, (7) Registration Statement (Form S-3 No. 33-25715) of Unisys Corporation, (8) Registration Statement (Form S-8 No. 33-3937) pertaining to the Burroughs LTIP, (9) Registration Statement (Form S-8 No. 2-63842) pertaining to the Burroughs LTIP, (10) Registration Statement (Form S-8 No. 33-34771) pertaining to the Unisys Retirement Investment Plan, (11) Registration Statement (Form S-8 No. 33-38711) pertaining to the Unisys Savings Plan, (12) Registration Statement (Form S-8 No. 33-38712) pertaining to the Unisys Retirement Investment Plan II, (13) Registration Statement (Form S-8 No. 33-38713) pertaining to the Unisys Retirement Investment Plan, (14) Registration Statement (Form S-8 No. 33-40259) pertaining to the Unisys LTIP, (15) Registration Statement (Form S-3 No. 33-35437) of Unisys Corporation, (16) Registration Statement (Form S-3 No. 33-64396) of Unisys Corporation, and (17) Registration Statement (Form S-3 No.33-51747) of Unisys Corporation; of our report dated January 26, 1996 with respect to the financial statements incorporated herein by reference and our report included in the preceding paragraph with respect to the financial statement schedule included in the 1995 Annual Report (Form 10-K) of Unisys Corporation for the year ended December 31, 1995.

/s/ ERNST & YOUNG LLP

Philadelphia, Pennsylvania
February 21, 1996

EXHIBIT 24

POWER OF ATTORNEY
Unisys Corporation
Annual Report on Form 10-K
for the year ended December 31, 1995

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below does hereby make, constitute and appoint JAMES A. UNRUH, HAROLD S. BARRON AND EDWARD A. BLECHSCHMIDT, and each one of them severally, his true and lawful attorneys-in-fact and agents, for such person and in such person's name, place and stead, to sign the Unisys Corporation Annual Report on Form 10-K for the year ended December 31, 1995, and any and all amendments thereto and to file such Annual Report on Form 10-K and any and all amendments thereto with the Securities and Exchange Commission, and does hereby grant unto such attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as fully to all intents and purposes as said person might or could do in person, hereby ratifying and confirming all that such attorney-in-fact and agents and each of them may lawfully do or cause to be done by virtue hereof.

Dated: January 25, 1996

/s/ J. P. Bolduc
J. P. Bolduc
Director

/s/ Kenneth A. Macke
Kenneth A. Macke
Director

/s/ James J. Duderstadt
James J. Duderstadt
Director

/s/ Theodore E. Martin
Theodore E. Martin
Director

/s/ Gail D. Fosler
Gail D. Fosler
Director

/s/ Robert McClements, Jr.
Robert McClements, Jr.
Director

/s/ Melvin R. Goodes
Melvin R. Goodes
Director

/s/ Alan E. Schwartz
Alan E. Schwartz
Director

/s/ Edwin A. Huston
Edwin A. Huston
Director

/s/ James A. Unruh
James A. Unruh
Chairman of the Board, Chief Executive Officer and Director

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE COMPANY'S FINANCIAL STATEMENTS INCLUDED IN THE COMPANY'S FORM 10-K FOR THE FISCAL YEAR ENDED DECEMBER 31, 1995 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO FORM 10-K.

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DEC-31-1995
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3,219
2,088
1,397
7,113
3,147
1,533
2
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1,570
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7,113
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1,611
4,607
0
21
202
(781)
(154)
(627)
2
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0
(625)
(4.35)
(4.35)